Daily Report

Latin America

FBIS-LAT-94-006
Monday
10 January 1994

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FBIS-LAT-94-006 *10 January 1994*

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Cuba

Castro Absence From Anniversary Event Noted

PA0901044494 Paris AFP in Spanish 0316 GMT 9 Jan 94

[Text] Havana, 8 Jan (AFP)—Cuban President Fidel Castro was absent from the ceremony organized Saturday in the capital to commemorate the 35th anniversary of his triumphant entrance into Havana.

Thousands of persons participated in the ceremony, including several members of the Cuban leadership, with the obvious exception of Fidel and his brother, Raul Castro, who is the first vice president of the Council of Ministers and Minister of the Revolutionary Armed Forces of Cuba (FAR).

Such absences, particularly that of the chief of state, caused surprise. Especially when some of Fidel Castro's bodyguards were seen taking up positions in Ciudad Libertad, formerly Columbia camp, which was the general headquarters of the troops of Dictator Fulgencio Batista, who was defeated by the Castroite guerrillas on 1 January 1959.

The media and government have thus far refrained from explaining the absence. Some observers attributed it to the fact that Castro delivered a speech last 1 January in Santiago de Cuba (east) commemorating the revolutionary triumph.

On that occasion Castro reiterated his willingness to keep Cuba on the socialist path and expressed his confidence for 1994 following the "most difficult year" ever experienced by the regime since its emergence.

The Cuban revolution celebrates 1 January as the day when Cubans began the year 1959 without Batista, who fled on 31 December for Santo Domingo. The guerrilla columns entered Havana and Santiago the following day, 2 January, after the last cells of military resistance surrendered.

Only Juan Contino, first secretary of the Union of Communist Youths (UJC), spoke at the commemorative ceremony and insisted on persevering in the socialist path.

Over the past few days Castro's epic event has been widely commented on by the press, which has insistently cited a phrase by the Cuban leader that is currently applicable: "Let's not fool ourselves into thinking that everything will be easier from now on. Perhaps everything will be more difficult."

Raul Castro Continues Tour of Western Army Territory

FL0701164894 Havana Radio Rebelde Network in Spanish 1000 GMT 7 Jan 94

[Text] Army General Raul Castro, minister of the FAR [Revolutionary Armed Forces], yesterday continued an extensive tour of the territory defended by the Western Army. Castro, who is also second secretary of the Communist Party of Cuba, was accompanied by Division General Leopoldo Cintra Frias and Candido Palmero—both Politburo members—as well as by other high-ranking officials and political leaders.

Raul visited Unit 4261, where he congratulated unit personnel for their decisive contribution to defeating the illegal television broadcasts from Miami. He stressed the fact that he had devoted the first visit of the year to this unit because it is the best of its kind in the FAR.

At Unit 2100, Castro received a detailed explanation of the unit's characteristics and operations, as well as the progress of the fortifications.

It has also been learned that the tour of the civil defense tunnels in San Jose de las Lajas provided deep satisfaction to Raul and those accompanying him, given the magnificent job that has been done there. During a conversation in one of the classrooms there, the FAR minister expressed his conviction that the new generations will be able to continue moving forward.

Castro was also avised on the combat readiness of Unit 6100. Castro asked about the agricultural-livestock plans for the current year and insisted that an increase in production must be accompanied by a decrease in the unit cost of items.

Lastly, Raul visited an installation being built by the Blas Roca Contingent. The installation is earmarked for the production of 90 tons per year of a variety of kelp [espirulina], a high-priced protein on the international market.

[Havana Radio Progreso Network in Spanish at 1200 GMT on 7 January, in a similar report on Castro's tour of Western Army territory, adds: "For his part, Colonel (Perez Pileta), chief of Unit 6100, briefed the minister on the combat readiness of his mechanized infantry brigade, as well as on the agricultural- livestock plans for the current year, and insisted that an increase in production must be accompanied by a decrease in the cost per unit. In this connection, Raul Castro stressed that our military chiefs must have a good grasp of economic data, from how much it costs to produce a single boniato to how much a rifle bullet costs. The tour's heavy schedule did not prevent Castro from reiterating a great interest in increasing fish-farming production or from visiting the Western Army's fry production center. This center is being built with the collaboration of the Ministry of the Fishing Industry."]

Robaina News Conference Prior To African Trip

FL0701164994 Havana Radio Rebelde Network in Spanish 1000 GMT 7 Jan 94

[Text] Shortly before leaving on a tour that will take him to several African countries, Foreign Minister Roberto Robaina stated that the Cuban delegation will explain the reality of today's Cuba.

The foreign minister held a news conference, during which he broached diverse international relations subjects, emphasizing his tour of Ghana, Angola, Zimbabwe, Zambia, and Namibia. Robaina said he is going to update the foreign ministers of those countries on how things are in Cuba, but will also meet with the ministers of health, tourism, education, and others. He will be received by the presidents of the nations visited.

Regarding the internal situation in Angola, Robaina said that Cuba and Angola maintain excellent relations, which are experiencing a period of mutual understanding. With regard to relations with Chile, the foreign minister said they will be reestablished at the moment the Chileans consider most opportune.

On Cuba's relations with the United States, Robaina stated that while the United States' language may be less aggressive; the blockade has intensified.

[Havana Radio Progreso in Spanish at 1200 GMT on 7 January, in a similar report, adds: "Robaina announced: 'We are obliged to go through Switzerland, so we have to take advantage of that'. There too, meetings at the Foreign Ministry are planned...

"The Cuban foreign minister mentioned the existence of new prospects for the political and economic ties between our country and Europe. As to the conflict in the state of Chiapas, he said he hoped the Mexicans would be able to find the best solution. Lastly, Robaina said that Cuba's situation is very difficult, but that we are not in a dead-end alley. Although 1994 will not be greatly different from 1993, the spiral will begin moving upwards."]

Objectives of Trip to Africa, Europe

FL0801020694 Havana Radio Rebelde Network in Spanish 0000 GMT 8 Jan 94

[Text] Foreign Minister Roberto Robaina was interviewed by Radio Rebelde reporter Roberto Gili last night at the Jose Marti International Airport, shortly before leaving on his tour of Europe and Africa. Robaina told Gili that:

[Begin Robaina recording] I am going as a guest of several foreign ministries, in this case the foreign ministries of five countries located on a continent with which we have, historically, maintained special relations. You are aware of the offensive the country, and the Foreign Ministry in particular, has launched in areas like the Caribbean, Latin America, and other areas of the world. In this particular case, we will be touring Ghana, Zimbabwe, Zambia, Angola, and Namibia. In Angola, as in the other countries, we have always been in contact with our counterparts. The health, commerce, economy, and tourism ministers have also been in close contact with their counterparts in those countries. We are pleased to announce that on this trip we will be meeting with the presidents of the five countries.

I believe that Europe and other countries of the world are being manipulated by a one-sided version of the news regarding our country which is handled by a manipulated press. This country is not the hell many reporters paint it to be nor is it the paradise others paint it to be. We must exploit the means to tell those countries what our country is all about. Unfortunately, when we tell the big newspapers what the situation is, they do not always print what we tell them. The offensive involves, above all, explaining our truth to Europe. Our truth has good, average, and bad things to it, but we must have a chance to explain it. For example, I believe that the recently concluded meeting with the European Parliament opened a space for this communication. We agree on some issues and disagree on others; but the idea is not whether we agree or disagree; the idea is to keep communication channels open. I believe that communication with Europe is indispensable to this offensive.

In the economic area I believe there are already some European countries that have an important presence in our country. Many have an opinion about Cuba, many express opinions about Cuba, but not many have direct contact with Cuba or express their views on Cuba. I am not asking that they share our views or that they share the views of others; all I ask is that they analyze our situation and that we be heard before a decision is made about us. We do not like it when others talk about us and we are not allowed to tell our side. That is what I am talking about. Our side must be heard. Unfortunately, those who oppose us have much more space than our Revolution has. [end recording]

Robaina Visits Switzerland

FL0701222394 Havana Radio Reloj Network in Spanish 2032 GMT 7 Jan 94

[Text] Foreign Minister Roberto Robaina is currently visiting Switzerland, where he will spend the weekend and will meet with Swiss Foreign Affairs Secretary (Jacob Kellenberger). Cuban official sources have reported that Robaina has stopped over in Berne on his way to Africa and will take advantage of this stopover to meet with Swiss authorities and visit the capital city, particularly the Parliament. Robaina will leave Berne on Sunday. This is the second time Robaina has visited Switzerland; his first visit was in 1993 when he addressed the Social and Economic Council to explain the Cuban situation. At that time Robaina also met with Swiss authorities, UN officials in Geneva, Latin American ambassadors, and other ambassadors to the United Nations.

Havana Notes Chinese Reaction to U.S. Trade Reduction

FL0801005194 Havana Cuba Vision Network in Spanish 2320 GMT 7 Jan 93

[Text] China highlighted its problems with the United States for the alleged illegal sale of textiles to that

country, which should be solved through negotiations, and warned that it could be forced to give a sharp answer to U.S. reprisals.

These statements were made by a spokesman of the Ministry of Foreign Trade and Economic Cooperation after Washington announced its decision to reduce its purchases from China in the specified area by 35 percent. This would include sweaters, clothing, cotton products, and elements used in the maintenance of machinery: a reduction that exceeds $1 billion, which is considered to be a severe blow to bilateral trade transactions in the textile sphere.

Puerto Rican Journalist on Cuban Defectors

FL0801154894

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1255 GMT on 8 January features a 13-minute live telephone interview with Marilyn Perez Coto, journalist for the Puerto Rican newspaper CLARIDAD, regarding the current situation of the 35 Cuban athletes who deserted recently during the 17th Central American and Caribbean Games in Ponce.

Radio Rebelde host Alfredo Forte explains to Perez that this call is in response to a 7 January GRANMA article that was based on the Milvia Arcilla piece published in CLARIDAD entitled, "The Defectors are Abandoned." Perez states: "Sadly enough, many of the athletes who defected believed the promises made to them. However a week after the games, they were housed in a civil defense shelter." Perez states that many of the promises made to them cannot be fulfilled because of certain Puerto Rican laws and regulations. She adds: "It is not easy for someone new to find work, particularly when there are so many unemployed Puerto Ricans with university degrees in sports."

Perez stresses that athletes in Puerto Rico need to depend on regular jobs to make a living and that training facilities are not as readily available as in Cuba. Perez stresses that the athletes have basically been forbidden to speak to the press, particularly CLARIDAD, which presents a point of view different from the official view in other newspapers.

Perez points out that only one athlete, basketball star Andre Gibert, has been provided an apartment. Perez states that they have been told Gibert is very depressed because he is not playing and that his future is uncertain, since it is unlikely that the Puerto Rican and Cuban Basketball Leagues will reach an agreement to let him play. Forte and Perez stress that Gibert had been told it was very easy to become a pro star.

Perez explains that the Cuban exile community is pressuring sports leagues and local officials, behind closed doors, to change the rules and let Cuban athletes play. Perez notes that the possibilities for these athletes are minimal: "It is very sad, but these young men [muchachos] have thrown their futures overboard. Here they will end up working as store clerks." Throughout the conversation, Perez repeatedly refers to the athletes as "muchachos."

Forte states that they have unfortunately allowed themselves to be carried away by a siren's song and are now dearly paying the consequences.

Perez reports that there are approximately 10 athletes still in Puerto Rico—the ones who ended up in the shelter. Others have reportedly moved to Miami or are staying with relatives. Perez stresses that in Miami the situation is no easier in terms of getting permission from sports leagues or overcoming international rules.

Perez adds: "It is very, very sad. There are people here who left during the Mariel boat lift; we all know the conditions under which the Mariel people left. We see them in the streets, very depressed and regretful. They are trying to get help, and tell everyone that they regret having left and want to return to Cuba. However, we cannot help them at this point." Perez adds that there are immigrants from the seventies and eighties who are truly sad and have not found a niche in Puerto Rico. Perez says that the only hope these people have is to fight for the end of the blockade and therefore vindicate themselves. Yet, it is not easy to do this after having betrayed one's country. She states: "They mope around like penitent souls. It is truly sad."

Perez describes the tragedy of these young men's actions, that this will be a trauma they will have to shoulder the rest of their lives, and adds: "In the end, they will regret what they did."

Forte thanks Perez for the information. Perez explains that they feel like Cuba'a correspondents. Forte thanks Perez for the support CLARIDAD and the Puerto Rican people gave to Cuba during the games. Perez says that it is their duty to support Cuba 100 percent, everyday, and under any circumstances, because: "We believe in the Cuban Revolution."

Potential UBPC Problem Examined

FL0701215594

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 7 January devotes its 15-minute "Straight Talk" program to highlighting what program guest Luis Sexto, a BOHEMIA journalist, describes as the first potential problem of which he has heard in connection with the functioning of the new Basic Cooperative Production Units [UPBC].

Program host Juan Carlos Roque Garcia notes that Sexto gets letters from people at both Radio Rebelde and BOHEMIA, and that certain subjects, such as today's, are too important not to address.

Sexto says: "I have just received a letter signed by Dr. Rafael Gonzalez, a veterinarian from Sancti Spiritus Province. This is an excessively respectful letter—if the adverb 'excessively' can ever be fitting in describing the

respect one feels toward, or shows, others! It is a letter in which, although he does have a personal problem, what most concerns him is the problem in general; that is, how such a problem could affect the nation. Briefly, the case is as follows: Dr. Gonzalez was the veterinarian at a state agricultural-livestock enterprise. He does not say whether it was a place that raised cattle, or one that grew cane, or a miscellaneous crop enterprise. In any case, the farm where he used to work became a UBPC [Basic Cooperative Production Unit]. So he agreed to become a member of that UBPC; and when the farm formally turned into a UBPC, he was told that the only thing he could do there was be an agricultural laborer, that there was no place there for a veterinarian.

"He, of course, refused—for reasons everyone understood but no one did anything about. Moreover, he argues that he also has physical handicaps that prevent him from, that constitute obstacles to, working in the fields, since agricultural work is so tough.

"He writes me because he has visited many people, and the Sancti Spiritus labor agency told him it had no work for him. The Institute of Veterinary Medicine here in Havana told him that that's the way it is, [repeats] that that is just the way it is. The legal directorate of the Ministry of Agriculture also told him that that is just the way it is. And he, who says he is a revolutionary, a 36-year-old veterinarian trained by the Revolution, is not complaining. He is not cursing, or recanting, or regretting anything, or making any reproaches. Although he is having this personal problem, he simply says that he is worried about there existing, in the UBPC's, a tendency to do without professionals in the work force."

Sexto continues: "He says that much good has been spoken about the UBPC's; that he has heard many good things about the UBPC's—even referring to a recent article of mine on the UBPC's that appeared in BOHEMIA—but that he has heard nothing negative about the UBPC's anywhere, nothing negative that can be foreseen about the UBPC's. And he thinks that what is happening to him might also be happening to other people, and that that could be a negative aspect of the UBPC's that we must intercept, watch out for, follow."

Roque and Sexto then explain what the UPBCs are and why they came to be.

Sexto says: "The fact is that Dr. Gonzalez is worried that doing without professionals in the work force in the UBPC's could be a negative tendency of this formula for agricultural organization, of this new relationship between the man and the land—a tendency which might obstruct, or prevent, the UBPCs' developing to their full potential. I think he is right. Unquestionably, no one can achieve profitability, or become efficient in production, without science or technology...nor can anyone defend the UBPCs' doing without, or attempting to do without them. That could be a negative tendency, which must constantly be watched for, put a stop to, and controlled."

Roque notes that "the objective is to achieve direct production—not to have a lot of people in offices, too many people affecting the profitability of a UBPC, of course."

Sexto agrees, noting that "agriculture with good yields, good results, that is profitable, that is productive, cannot be achieved through man's labor alone. That is clear. And I think that Dr. Gonzalez is very right to worry about what is worrying him. And I think maybe no one in the country has thought that this might happen, that the UBPC's might have a tendency to try to do without professionals on their work force."

"Of course he does not explain to me what kind of an enterprise this was, whether or not it was a cattle-raising enterprise. There cannot not be a place for a veterinarian in a UBPC devoted to raising livestock? Maybe in a miscellaneous crops enterprise! On the other hand, a veterinarian might indeed not be necessary at a miscellaneous crops enterprise, or a cane-growing UBPC.

"Now, let's look at another aspect of the problem. If the UBPC is a cattle-raising UPBC...[rephrases] I do think a place for that veterinarian must be found at some other cattle-raising UBPC that needs a veterinarian."

Roque adds: "And even if his UBPC is not a cattle-raising UPBC, a place for that veterinarian must be found, because how can we afford to leave a veterinarian without a job?"

Sexto agrees: "Exactly! Because certain paradoxical factors come into play here: If the Revolution is concerned with making sure that the medical student who is today in the classroom has a guaranteed job when he graduates, how can we possibly allow a veterinarian with 12 years' experience—that means 12 additional years of study, in addition to the practice—to be without a job because no one can find a place for him?

"It is possible that it might be difficult, at the present time. But we must begin thinking about a solution....

"I also want to tell you, Juan Carlos, that the responses of the authorities to whom he has gone, whom he has told about his problem, have been pretty indifferent, although they understood the problem. We think he cannot be told: Well, it is unavoidable, Doctor. Just resign yourself.

"I think no state organization can be allowed to give such an answer!"

Roque notes: That is where the problem of coordination comes in. I think these institutions have to have exchanges with others. The Labor Ministry in Sancti Spiritus, or the enterprises he himself has visited directly, have to begin seeking a solution to his problem, even if the problem is not their own. They too have to begin to make suggestions."

The speakers agree that the nation is seeking to make changes and find solutions to problems, but that erroneous interpretations of things do occur; also, not everyone does the right thing. Deficiencies continue to exist.

Sexto adds: "This also has to be looked at from another point of view, because if Decree-Law No. 141 permitted that veterinarian to treat privately, as a self-employed person, all the dogs and cats in Sancti Spiritus, it is possible that this man would not be facing the worry, the personal situation he is in today; but Decree-Law does not—for now—permit him to exercise his profession as a self-employed person. I think that this has to be kept in mind. I think cases like this could crop up not only in Sancti Spiritus but all over the country.

"There could be misinterpretations, and there could be objective situations that prevent there being work for a veterinarian, but formulas must be sought. What cannot be allowed to happen is for a veterinarian to (?remain) in such a situation. The country cannot afford the luxury of doing without such members of the work force!"

Roque agrees, saying that a lesson must be learned from this case. Sexto says that in his letter, the veterinarian says he knows of other cases like his own.

Sexto adds: "I want to say that this kind of problem is not solved with either a bureaucratic spirit or a bureaucratic mentality. I think a revolutionary, especially if he is an official, has to empathize with a citizen's problem as if it were his own. I think that is basic, in leading this country." Sexto says, further, that he thinks this is a case for the agricultural-livestock workers union. He says: "A recent CTC [Cuban Workers Federation] editorial in the newspaper TRABAJADORES said the unions had to follow such cases very closely, step by step, so as to avoid having injustices, deformations, and misinterpretations occur. And I think the case of Dr. Gonzalez in Sancti Spiritus must be assessed by the province's union. That union has to seek a solution."

Roque notes: "There lies the role—first and foremost—of the union sections, at the grassroots level. I am talking about the base-level, because many of these problems might be able to be solved at the very bottom."

Sexto notes that he wondered what the union's role might be at a UPBC if the workers own the production and if the president can be removed by an assembly of the workers when he messes up. "Now I think that role is, precisely, first of all, for the union to keep watch over the nation's best interests; and also to watch for cases such as this, which are obviously injustices, where people have obviously failed to think."

Roque concludes: "This is an alert to the entire country."

'Slight' Increase From Mariel Power Plant Expected

FL0701222594 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Jan 94

[Text] A slight increase in electric generation is expected in 1994 at the Maximo Gomez Electric Plant in Mariel—a plant that helps ameliorate the energy deficit of Havana and the national electric system—according to Agustin Jimenez Saranda, the director of this plant operated by the Chemical and Energy Union.

Independently of last year's energy deficit, 80 percent of electrical power was generated by using Cuban oil. However, the production plan was based on the fuel available and in consideration of the deficits of other generating plants. [as heard] Although a great part of the electricity available is due to the use of Cuban oil, this oil needs various additives to counter corrosion and partially neutralize the effects of its high viscosity and sulfur content which obstruct its flow through the pipes and damage the steel plates.

Add to these difficulties the maintenance limitations which are dependent not only on material shortages but also on the labor force deficit. Agustin Jimenez Saranda pointed out, without raising false hopes, that proper maintenance might result in long term improvements and the energy situation will be less unnerving in '94 and succeeding years: a pleasing bit of news for the beginning of 1994.

Lage: New Difficulties Will Affect Electricity

PA0901011794 Mexico City NOTIMEX in Spanish 1847 GMT 8 Jan 94

[Text] Havana, 8 Jan (NOTIMEX)—Carlos Lage, secretary of the Council of Minister's Executive Committee, announced today that the Cuban Government will face new difficulties this year in guaranteeing electricity and transportation to the population. "The tobacco harvest, the food program, and the sugar harvest will be given absolute priority in terms of oil supplies for 1994, Lage said after touring tobacco producing areas in the western province of Pinar del Rio.

Lage, considered the architect of the limited Cuban economic reforms, said the current tobacco harvest could be the best quality seen for the past few years if current weather conditions continue.

The lack of fertilizer and oil to operate equipment also affected Cuban tobacco production, a traditional export product.

Nevertheless, Lage said that this year the oil supply situation—the Achilles' heel of the feeble Cuban economy, which has been affected by a serious crisis since the beginning of the decade—will improve this year.

The shortage of oil (with its corollary lengthy power outages), passenger buses, and food were the main hardships the island's 11 million inhabitants faced last year.

The state-run Cuban Petroleum Enterprise (Cupet) announced during the first week of this year that it ended 1993 with a record production of 7.7 million barrels of heavy national crude oil with a high sulfur content.

Engineer Agustin Jimenez, director of the Maximo Gomez thermoelectric plant, admitted that the amount is barely enough to generate 40 percent of the electricity consumed on the island. Using that type of crude also causes excessive corrosion to burners and other equipment.

Cuba received an average 91 million barrels of oil per year in 1989 from the former USSR.

According to president Fidel Castro, the island's economy cannot function with less than 43 million barrels per year, most of which must be purchased on the international market or with sugar traded to Russia.

The authorities are determined to reach production levels of 4.5 to 4.6 million tons of sugar this year. That figure is only a few hundred tons more than the 1992/1993 harvest, which was the poorest in the last few decades.

Cuban Workers Will Discuss National Economy

FL0801192694 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Jan 94

[Text] Over the next few weeks, the Cuban workers movement will meet to discuss Cuba's main financial problems. This was announced by Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], in an appearance this morning on Radio Progreso's "First Thing" program.

[Begin Ross recording] Forty eight hours ago, the CTC National Secretariat agreed to begin this process. We must remember that Comrade Fidel stated in the National Assembly [ANPP] that none of the measures we need to take can be implemented if we do not have the understanding, consensus, and support of the workers. This is precisely our goal, to have the workers... [changes thought] and also the worker's opinions. Fidel said that the measures could not have a technocratic nature, but would be political measures grounded on technical aspects, of course. Our workers are very wise. Their wisdom includes the economic. What has happened is that at times they have not been heard, nor has what they have suggested been done. That is the reality.

We wish to fulfill that request and allow them more participation because the workers need to be the spinal column of everything done in the country on the economy. Everything done in terms of the economy affects the workers. [end recording]

Ross emphasized that the forthcoming meetings are another sign of the trust the Revolution has in the workers, adding:

[Begin Ross recording] For example, we are going to ask the opinion of 485,000 labor leaders on how to heal national finances. Do we change the currency or not? What to do with those who have great amounts of money, with those who have earned on the basis of their hard work, production efforts, and have accumulated that money? What to do with the money of those who, through theft, wheeling and dealing, hoarding, have accumulated it? We must add that there are 1.5 million workers who are paid between 100 and 121 pesos. There are 2.5 million who are paid between 121 and 186 pesos. Those earning 100 or 121 pesos cannot have accumulated money. [end recording]

Finally, Ross pointed out that between now and 28 January, there will be in-depth training of the labor cadres at base level, to ensure that the process of discussing the national financial status with the workers becomes a successful process with practical results, ensures awareness, and particularly, is based on national economic problems.

Antigua and Barbuda

Main Opposition Party Launches Election Campaign

FL0801161694 Bridgetown CANA in English 1420 GMT 8 Jan 93

[Text] St. John's, Antigua, 8 Jan, CANA—Antigua and Barbuda's main opposition group, the United Progressive Party [UPP], has launched its election campaign. At a public rally in St. John's this week, the party presented its 16 candidates for the poll, constitutionally due by March.

Political leader Baldwin Spencer said: "The people of Antigua and Barbuda .... Are ready to take our country back." He added: "We cannot claim to be a nation when we have not developed a nation economy. We cannot claim to be a nation when we are not in charge of our own affairs. We cannot claim to be a nation when we are dominated by foreign interests."

The parliamentary opposition leader admitted that "the challenge before (the party) is not easy." Spencer charged that the ruling Antigua Labour Party (ALP) "has failed miserably .... to do great things for the country."

The UPP's deputy political leader, Tim Hector, said the party was planning a national demonstration against the governor general's decision to pardon a government minister who was given a prison sentence after the court found he was involved in illegal mining of sand.

"We call the demonstration in support of justice against the pardon, against the governor general, against Hilroy Humphreys. I expect you to be there in great numbers,"

Hector told the meeting The party's campaign theme is "time for a change—people first".

Barbados

Third-Quarter Unemployment 2.2 Percent Above Last Year

FL0701204394 Bridgetown CANA in English 1700 GMT 7 Jan 93

[Text] Bridgetown, Barbados, 7 Jan, CANA—Barbados unemployment rate during the third quarter of 1993 was pegged at 25.5 percent, approximately 2.2 percentage points above the rate for the corresponding period in 1992, according to the Ministry of Economic Affairs.

"The adult population was estimated at 190,200 persons, of whom 126,000 comprised the labour force," the ministry reported in a statement. "The labour force for the period July to September, 1992 was 123,700 persons. The number of persons employed during the review period was estimated at 94,100 persons, some 1,000 persons fewer than in the corresponding period in 1992."

Of the total labour force, approximately 31,900 persons were unemployed during the third quarter of 1993, compared with 28,600 persons during the corresponding period in 1992.

Males unemployed increased from 20.0 percent during July to September 1992 to 22.4 percent during the review period. Unemployment among females rose by 1.9 percentage points to reach 28.4 percent, compared with 26.5 percent in the July to September quarter of 1992. The under-forty age group accounted for 24,700 or 77.4 per cent of the unemployed.

The government services employed 19,100 persons; general services approximately 18,100 persons; the wholesale and retail trade 15,000; tourism 10,100; manufacturing 8,000; construction and quarrying 5,000; financial, insurance and business services 6,000; and agriculture and fisheries 4,600, while another 6,500 found employment in other areas of activity.

"The rate of participation during the review period was 66.3 percent compared with 65.6 percent for the corresponding period in 1992," the ministry reported. "The rate for females rose by 1.4 percentage points to reach 59.8 percent during the review period while that for males remained vitually unchanged at 73.8 percent.

"The number of persons not in the labour force was 64,100 persons, some 900 fewer than during the same period in 1992. Approximately 25,900 were retired, 15,300 kept house, some 12,100 were at school while 8,500 were either incapacitated or voluntarily idle."

Haiti

Parliamentarians Favor National Conference

FL0701205994 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Jan 94

[Text] The conference of presidents was held on 6 January in the Chamber of Deputies. This was an important meeting between the presidents of political blocs and permanent committees on 6 January at the Legislative Palace. The great majority of the 20 parliamentarians who participated in this meeting supported the idea of holding a national conference in Haiti with the participation of all sectors involved in the crisis. Chamber of Deputies President Antoine Joseph asserts that the issue of the parliamentarians elected on 18 January was also tackled. Joseph refused to announce the decision on that issue made by the presidents of the political blocs within the Chamber of Deputies. Let us listen to Antoine Joseph:

[Begin recording, in Creole] The first point on the agenda was an analysis of the general situation of the country. Then there was an inventory or outline of the legislative works to set up during the seventh ordinary session of the 45th Legislature. Finally, we had questions of general interest. We have not yet gone through the second point, but there was great debate as to the general situation of the country.

One of the main ideas that has come out is that all political groups that were present...[rephrases] the presidents of the political groups encourage, on behalf of the groups, the idea that a national conference be held in the country with the participation of all sectors concerned in the Haitian crisis and all those who are examining the country's situation. With the exception of the National Front for Change and Democracy, which says it has a slight reservation, between now and tomorrow [7 January] we will sign a common document in which we will formally encourage the national conference. But it is clear that something has been accomplished. There are four political groups which numerically are a majority within the Chamber of Deputies; we can say the majority of the Chamber of Deputies encourages the idea of a national conference. [end recording]

This was Deputy Antoine Joseph, president of the Chamber of Deputies that supports the idea of holding a national conference in Haiti with the participation of all sectors involved in the Haitian crisis.

Radio Reports on U.S.-Aristide Relations

FL0701213994 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Jan 94

[Report by Leontes Dorzilme—recorded in Creole]

[Excerpt] [Passage omitted] The United States has warned President Jean-Bertrand Aristide that it considers the holding of a conference on refugees an insult,

according to statements made on 6 January by U.S. diplomatic sources. The agenda for this conference entitled "Democracy in Haiti is the Solution to the Refugee Crisis" might be changed at the request of the United States, according to a diplomat who wanted to remain anonymous. The conference on the Haitian crisis, the question of human rights, and the rights of refugees could take place from 14 to 16 January.

According to the HAITIAN PRESS AGENCY, there will be many observers such as guests from the UN conference, guests from the four countries friendly to Haiti, and delegates from the 10th Department [the Haitian diaspora]. They also plan to invite delegates from [political] parties represented in the Haitian parliament, particularly those that signed the New York pact. People from Haitian democratic organizations and representatives of the religious community here (?will also be invited).

The purpose of this summit, according to explanations, is to establish a dialogue between experts on human rights protection and those working in the diplomatic sectors and the democratic movements in order to find a quick means to resolve the Haitian crisis and allow the restoration of democracy.

The refugee problem remains a particularly thorny issue for the United States, which has maintained a naval blockade around Haiti since October 1993 to prevent the boat people's entering the United States. It also decided to repatriate those Haitians as soon as the U.S. Coast Guard catches them. The U.S. State Department adopted this position in May 1992. Diplomats from Haiti's four friendly countries say that they will merely be in attendance and that they will have a very low profile; others say (?their attitude will depend on) the agenda set. AFP has reported that they [not further identified] also let it be understood that they will do their best to ensure adherence to the agenda.

The OAS does not take an official stand on that issue. According to diplomatic sources, President Jean-Bertrand Aristide asked OAS Secretary General Joao Clemente Baena Soares to participate in this meeting. Soares said that the OAS cannot involve itself in such an adventure, according to a diplomat who wanted to remain anonymous.

President Aristide has called for the Miami conference in response to the idea of the national conference in Haiti that Prime Minister Robert Malval advocated. Since then, there has been a divergence between the United States and (?President Jean-Bertrand Aristide) as to the policy he would like to adopt regarding a national conference. Up to the present, the United States has supported a national conference to untangle the crisis situation in Haiti, although it does not share President Aristide's idea of a conference on refugees in Miami on 14, 15, and 16 January. [passage omitted]

'Rightist' Groups Seek Equitable Fuel Distribution

FL0701232594 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Jan 94

[Text] Eleven rightist organizations, including FRONDE, the National Front of Haitian Democratic and Nationalistic Organizations [Front des Organisations Democratiques, Nationalistes Haitien] of (Roosevelt Frage); the Union of Patriots for the Advancement of Limbe [Union des Patriotes pour l'Avancement de Limbe] of (Emmanuel Saimphar); and the Committee of Resistance for the Safeguard of the National Sovereignty [Comite de Resistance pour la Sauvegarde de la Souverainete Nationale] of Robert Abellard, forcefully denounce the intention—which they call discriminatory, biased, and detrimental to the greater populace—of the international community in general and of Lawrence Pezzullo in particular to entrust the distribution of the fuel on a tanker expected to reach Haiti on 12 January to a predetermined sector of the national life.

They firmly ask the international community to distribute this fuel equitably, without regard to political affiliation or social stratum. This commitment must be published in an official statement before the arrival of the tanker. Should the international community fail to make this commitment, these officials promise to oppose radically the distribution of fuel.

ALAH Promotes Government Seizure, Fuel Distribution

FL0701234294 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Jan 94

[Text] Reynold Georges, leader of the Alliance for Liberation and the Advancement of Haiti [ALAH], states his stand. In a statement to Signal FM, he wants the Haitian Government to seize the fuel tanker so the fuel can be distributed throughout the entire territory. Let us listen to Senator Reynold Georges:

[Begin recording, in Creole] We say that Haiti is not a country under trusteeship, but an independent country. Everything in Haitian territory belongs to the Haitian Government and people. We ask the Haitian state to seize this fuel as property of the Haitian state as soon as it arrives in the country and to distribute it in accordance with Haitian law governing the matter. [end recording]

Group Threatens Demonstration Over Fuel Distribution

FL0701234794 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Jan 94

[Text] Engineer Franck Pierre of the Capois Lamort Organization pointed out in an interview with Signal FM that the fuel must be distributed throughout the entire Haitian territory in order to solve the fuel shortage problem. The Capois Lamort Organization threatens—if

the international community fails to comply with this request—to repeat the events of 11 October, the date on which USS Harlan County departed the Port-au-Prince harbor because of the presence of armed demonstrators.

[Begin Pierre recording, in Creole] We say to Ambassador General [title as heard] Lawrence Pezzullo that the fuel must be entrusted to the distributing companies that are supposed to deliver it to all gas stations so that all sons of the land can get the fuel they wish, because the embargo is a general embargo that hits all Haitians and all social strata in the country. We in the Capois Lamort Organization are [words indistinct] and clear about Haiti's crisis situation: The fuel must be widely distributed through Shell, Texaco, and Esso so that it is available in all gas stations and so that all Haitians can participate in the fuel. [sentence as heard] [end recording]

Jamaica

Eleven-Month Inflation Rate 26.6 Percent

FL0701202494 Bridgetown CANA in English 1625 GMT 7 Jan 93

[Text] Kingston, Jamaica, 7 Jan, CANA—Jamaica's inflation rate for last November was 3.2 percent, boosting the rate for the first eleven months of the calendar year to 26.6 percent, according to official figures just released here.

The statistical institute of Jamaica said the inflation rate for the first eight months of the fiscal year was 23.3 percent. Since July, inflation has averaged three percent per month, largely because of the weakening Jamaican dollar, which has fallen from an equivalent of 4.50 U.S. cents in mid-year to just over 3.10 cents currently.

Inflation for the 11-month period in the calendar year 1992 was 39.4 percent and 17.3 percent for the equivalent fiscal year period.

Electoral Advisory Committee Chairman Resigns

FL0801161394 Bridgetown CANA in English 1332 GMT 8 Jan 93

[Text] Kingston, Jamaica, 8 Jan, CANA—Chairman of Jamaica's electoral advisory committee, Peter John Thwaites, has resigned. Thwaites was apparently angry about the failure so far to appoint a director of elections. A terse statement from Thwaites said the committee was "unable to find a candidate for the post of director of elections acceptable to all members...."

Thwaites, an insurance executive, was reported to be upset at the refusal of ruling People's National Party (PNP) representatives on the EAC to approve the application of Major Anthony Robinson, head of the Jamaica Manufacturers Association (JMA), for the job of director of elections.

The PNP is said to have objected to Robinson because he once served as an assistant to former commerce minister Douglas Vaz during the opposition Jamaica Labour Party (JLP) administration of the 1980's. Robinson in more recent times has been one of the more vocal critics of the government's economic policy. The JMA head has repeatedly ridiculed the P.J. Patterson government's high interest rate policies, meant to encourage savings and curb inflation, but which has also dampened investment and discouraged manufacturers.

Both the PNP and JLP are said to have supported the application of another military man, Major Winston Sutherland. But the High Command of the Jamaican Army has apparently refused to accommodate the application for Sutherland's release.

Jamaica has been without a director of elections since the middle of last year when Noel Lee was dropped at the insistence of the JLP. The JLP accused Lee of inefficiency in the run-up to and during the March 30 elections last year which was flawed by administrative mix-ups as well as fraud and thuggery in some mainly urban constituencies.

In a bid to attract high-profile applicants for the job, the EAC has offered a salary said to be close to a million Jamaican dollars per year (one Jamaica dollar = just over 3.10 U.S. cents).

Both the PNP and JLP expressed regret Friday at Thwaites' resignation. The PNP said he had been a "positive force" on the committee, while the JLP described him as "energetic and forthright." The governor general, meanwhile, says he intends to meet with Thwaites, apparently in a bid to influence a change of mind.

St. Kitts and Nevis

Labor Party Rejects Sugar Industry Privatization

FL0901213594 Bridgetown CANA in English 2139 GMT 8 Jan 94

[Text] Basseterre, St. Kitts, 8 Jan, CANA—The St Kitts-Nevis Labour Party (SKNLP) has rejected plans by the government to privatise the sugar industry.

The SKNLP, responding to Prime Minister Kennedy Simmonds' announcement of ongoing divestment plans on Thursday, said it would not be bound by agreements between innocent parties and what it called an unconstitutional regime clinging to power against the expressed wishes of the people.

The Labour Party, which is maintaining its call for a fresh poll following inconclusive general elections last November 29, said in a statement Saturday it was committed to using its resources to oppose the process of divestment.

It says the Simmonds government has no mandate or other form of accepted authority to divest a substantial portion of the people's inheritance.

The party accused the Simmonds administration of reducing the sugar industry to a state which has resulted in a sharp decline in output and considerable lay-offs of workers.

Unable to rescue, revive and maintain the viability of the industry, the party statement said, the Simmonds government has taken an unauthorised decision to sell in part the sugar industry to private concerns, whose sole motive is profit.

The Labour Party re-affirmed its commitment to the retention of an integrated sugar industry. It said an efficiently managed industry can again be one of the effective earners of a large chunk of foreign exchange.

The SKNLP said a concerned government has an obligation to ensure the continued livelihood of citizens in the context of improved wages and conditions of employment.

Trinidad and Tobago

Police Chief Warns Muslim Leader

FL0901200494 Bridgetown CANA in English 1748 GMT 8 Jan 94

[Text] Port-of-Spain, Trinidad, 8 Jan, CANA—Trinidad and Tobago's police commissioner, Jules Bernard, has issued a stern warning to Muslim leader Yasin Abu Bakr [name as received], whose followers staged a coup attempt here in 1990.

"I wish to advise all concerned that the police service, as the state agency charged with the responsibility to maintain law and order in the society, would take prompt and decisive action to deal with any attempt to disrupt the peace, order and tranquility of the society," Bernard said after Abu Bakr said his group felt as "oppressed" as it had when it staged the insurrection.

"It is important that all persons who may be inclined to embark on a path of unconventional behaviour be warned that the police would be vigilant and prepared to deal with any such activities."

Bakr, during a news conference, expressed dissatisfaction over the long time the court of appeal took in delivering the judgment in the dispute over lands the Muslimeen claims at Mucurapo in the northern township of St James.

The Muslim leader said his organisation had many options open to it regarding the land dispute with the government.

"We can't just starve to death and do nothing. The government is treating us unjustly. We have many options and we would not sit and do nothing. We will use the best option available to us," he told reporters.

He said that the organisation was not doing anything to create tension.

Abu Bakr added,"we are feeling oppressed and we would like to defend ourselves. "The same kind of oppression resulted in the 1990 insurrection."

The Muslimeen held parliamentarians hostage in 1990, complaining of victimisation and economic hardships. Bakr and 113 followers who gave themselves up afterwards were freed in 1992 after a high court found that an amnesty which they received from acting President Emmanuel Carter was valid.

Previous governments and the Muslimeen have been at loggerheads over the ownership of the land, which eventually ended up in the courts.

Bakr, at the news conference, also complained that the state had failed to pay compension for the destruction of several buildings on the Mucurapo lands which were gutted by fire, shortly after the six-day siege of parliament.

Chiapas Crisis

Human Rights Commission Begins Violations Review

PA0701145994 Mexico City Radio ACIR Network in Spanish 1332 GMT 7 Jan 94

[From the "Panorama" newscast]

[Text] Jorge Madrazo Cuellar, chairman of the National Comission for Human Rights [Comision Nacional de los Derechos Humanos—CNDH], who is in Chiapas State, has begun to receive complaints of alleged civil rights violations filed by the residents of San Cristobal de las Casas and other towns. He said all complaints will be investigated, including the case of corpses found in the city of Ocosingo with signs of having been tortured. The corresponding autopsies have already been requested. Madrazo Cuellar indicated CNDH's goal is precisely to ensure respect for the human rights and lives of the civilian population.

[Correspondent Juan Carlos Santoyo] While the Catholic Church says that strife in Chiapas has entered a phase that may end the fighting, the CNDH, through its Chairman Madrazo Cuellar, acknowledged the situation in this area of Chiapas State is still abnormal and tense. Samuel Ruiz, bishop of San Cristobal de las Casas, clearly stated: I am not responsible for those who come to preach as Catholic Church ministers in Indian regions. After saying that whole familes have begun to flee the fighting and hunger in different towns in upper Chiapas, he reaffirmed the Catholic Church's willingness to open the doors of temples to let in refugees and even rebels who lay down their weapons or are wounded.

He was asked very clearly: Does the danger exist that once the conflict is over there will be widespread violations of Indians' human rights? This is his reply:

[Begin Ruiz recording] The danger that arbitrary action may occur during a second phase exists. For that reason, I think the CNDH, with which we specifically discussed this second phase, constitutes for the people a very important element so that the largest number of human rights organizations may observe the situation. These groups also provide help through the participation of foreign observers, who may not be directly involved because they are not Mexicans but clearly constitute a guarantee that definite steps are taken to avoid human rights violations. The peril exists, and the CNDH—this is also the view abroad—will provide a certain degree of security. We are confident this phase will be conducted in the most proper, reasonable, and due manner. [end recording]

[Santoyo] The bishop added the time has also come to put the conflict into the hands of civilians and let the Army out of it. He also said refugee centers have opened in Palenque, Villahermosa, and Campeche, at which the people fleeing the clashes are slowly arriving. After meeting with Bishop Ruiz in his office, the CNDH chairman noted that one indication that the army has acted in accordance with the law is that civil rights have not yet been suspended.

The National Indian Institute announced the implementation of different projects and programs to support Indian communities all over Chiapas. It added that priority will be given to prevent outside or foreign influence in the actions and traditions of our countr's Indians from undermining the tranquillity and social peace that reigns in this area.

Human Rights Commission Asks for Shelters

PA0801125594 Mexico City XEW Television Network in Spanish 0435 GMT 8 Jan 94

[From the "24 Hours" newscast]

[Text] The armed clashes continue in Chiapas. Indians and peasants arriving in San Cristobal are being placed in a relief shelter called Don Bosco. The National Human Rights Commission has asked the San Cristobal Municipal Government and the state and federal governments to set up shelters immediately. It is expected that more families will arrive in San Cristobal during Friday evening and Saturday.

In Tuxtla Gutierrez, near Chapa de Corso, military checkpoints supported by the Federal Highway Patrol have increased their search of vehicles. Schools in San Cristobal de las Casas and other cities near the war zone are still paralyzed. Mexican Army vehicles have started leaving San Cristobal to take supplies to the war zone. The supplies will be distributed in affected towns, which are calling for water and food in order to survive.

In Tuxtla Gutierrez, the capital of Chiapas, 14 detainees were turned over to the Attorney General's Office. Also in Tuxtla, at least 48 bodies were exhumed from San Marcos cemetery vaults. The bodies were considerably decayed. Rubber gloves and face masks were found at the cemetery as well as numbers that had been assigned to the bodies.

Combat between the Army and the armed groups occurs primarily during the evening and morning. Trucks with vegetables circulated between San Cristobal de las Casas and Tuxtla Gutierrez on Friday. The Indian communities in Chiapas Heights are the primary vegetable suppliers for the state capital and San Cristobal. The only way to San Cristobal de las Casas is through Tuxtla. There is no other way, because the other highways are closed and the war zone is isolated.

Government Initiates Operation To Aid Civilians

PA0701173194 Madrid EFE in Spanish 1600 GMT 7 Jan 94

[Text] Tuxtla Gutierrez (Mexico), 7 Jan (EFE)—The Mexican Government has undertaken an operation to

help the civilian population in Chiapas State, victims of the armed conflict between the Army and rebel groups since 1 January.

With the intensification of clashes between the Mexican Armed Forces and the rebel Zapatist National Liberation Army (EZLN) near dozens of civilian towns, thousands of residents are without basic services and have fled their homes to save their lives. Almost 1,000 peasants and Indians have been caught in the middle of the Air Force bombardment of the mountainous San Cristobal de las Casas area and in the midst of crossfires that have destroyed homes and crops.

In response to complaints by civilians, the Mexican Army has reiterated that its forces have not attacked civilian towns and pledged not to do so.

The government, church, and civilian organizations are setting up shelters for the Indians and peasants who have fled their homes because of the bombings. Thus far two shelters have been established in towns far from San Cristobal de las Casas and near neighboring Tabasco State, where civilians seeking help will be temporarily housed and their safety against rebel attacks guaranteed. It is expected that between today and tomorrow another two shelters will be opened. Additionally, corn, beans, rice, sugar, oil, powdered milk, and soup concentrate are being distributed among the most severely affected civilians. State-owned Mexican Petroleum expects to send approximately 20 tons of supplies to the area between today and tomorrow.

Hundreds of EZLN members have focused on occupying small towns in southern Chiapas to threaten the authorities and proclaim fragile victories over the soldiers; in the process, they have cut off sewage services and the supply of gas, power, and potable water. Dozens of tanker trucks have been sent from Mexico City with 50,000 liters of potable water to prevent the spread of gastrointestinal diseases among the civilian population. As a result of the shortage of domestic gas, the operation of a mobile plant has been authorized in the war zone to normalize the supply of fuel and to avoid further problems for the civilian population.

Meanwhile, the Institute of Social Security and Services for Government Workers (ISSSTE) has sent ambulances, several tons of surgical equipment, analgesics, antidiarrhetics, plasma expanders, and first aid material. It is expected that the ISSSTE and other medical institutions will continue to send medicine, vaccines against typhoid fever and tetanus, oral serum, antibiotics, and other first aid material.

Meanwhile, the National Defense Secretariat (SDN) reiterated today in a press communique that the Armed Forces have not staged any attacks whatsoever on civilian targets. "The SDN has paid special attention to the protection of the civilian population and respect for human rights during the course of the operations under way in the area," the communique asserts. The communique also states that during combat on Thursday one soldier was killed and eight were seriously wounded. The SDN has officially announced that almost 100 people have been killed in the clashes, including soldiers, rebels and civilians, but Red Cross reports indicate that the bodies of at least 190 rebels have been picked up from the streets.

Attorney General Investigates Possible Executions

PA0801131294 Mexico City XEW Television Network in Spanish 0435 GMT 8 Jan 94

[From the "24 Hours" newscast]

[Text] The Attorney General's Office [PGR] reported today it has started a preliminary investigation into the possibility that some of those who have died in Chiapas were executed and received a coup de grace. Referring to the investigation, the PGR said autopsies and ballistic tests were performed yesterday with 30 corpses found in Ocosingo, Chiapas.

The PGR reported 26 of these corpses showed no signs of having received a coup de grace shot. The studies and experts' reports on the four other corpses, which showed a shot in the skull, revealed they had died on different days and at different hours and showed that the shots were fired from a short distance. It also reports that two corpses sustained shots with calibers that are smaller than those reserved for or used by the Armed Forces. A third corpse sustained injuries caused by a very powerful weapon, and a fourth corpse sustained shots fired by a shotgun, given the metal shrapnel wounds it had, the PGR said.

The PGR also said that in three of the cases the reports rule out the possibility the shots were fired by a member of the Mexican Army, because it does not use the type of weapon used to inflict them. Referring to the shot fired by a very powerful weapon, no one has been able to ascertain from which side it came, because the armed and violent group has been using that type of weaponry, the PGR said.

Salinas Appoints Chiapas Commission

PA0901021294 Paris AFP in Spanish 0048 GMT 9 Jan 94

[Text] San Cristobal de las Casas, Mexico, 8 Jan (AFP)—President Carlos Salinas appointed a commission of Chiapas residents to "contribute" to restoring coexistence and normalcy to Chiapas," which for the past eight days has been shaken by clashes between the Army and guerrillas, the government reported on Saturday.

Social Development Secretary Carlos Rojas swore in the commission, which is made up of writer Eraclio Zepeda, anthropologist Andres Fabregas, and Institutional Revolutionary Party Senator Eduardo Robledo.

The commission "will have complete independence to evaluate the situation and the problems that need to be resolved as well as to make suggestions about options

and actions to efficiently face the problems in the conflict areas," it was reported.

Rojas said the commission members' backgrounds "and their roots and identification with the people of Chiapas guarantee an objective reflection of the prevailing situation in the state and an intense dialogue with social organizations and communities in an effort to improve living conditions."

EZLN Proposes Written, Mediated Dialogue

PA0801214994 Madrid EFE in Spanish 2041 GMT 8 Jan 93

[Text] Mexico City, 8 Jan (EFE)—Alleged members of the rebel Zapatist National Liberation Army (EZLN) have sent a communique to the Mexican daily LA JORNADA in which they claim to be ready to engage in a written dialogue with the government.

The communique states that the rebels will engage in dialogue with the government with the mediation of Guatemalan indigenous leader Rigoberta Menchu, Bishop Samuel Ruiz, who has worked on behalf of indigenous peoples, and Julio Scherer, director of the weekly PROCESO, "whom they have never been able to silence."

The document was faxed by the "Clandestine Committee of the Struggling Indigenous Peoples of the EZLN" and states that the decision to begin a written public dialogue with the government "does not imply a surrender."

"We believe that these three personalities, renowned in Mexican society, could serve as guarantors of the truth and witnesses that the writings are really those of the EZLN. We would ask them to render their good offices in search of the peace and welfare of our struggling people," the note states.

The alleged EZLN members, who took up arms on 1 January in the southern state of Chiapas, have asked Menchu, Ruiz, and Scherer to publicly respond to their appeal. The EZLN states that if they receive a positive response, they will ask the three individuals "to mediate the dialogue between the poor, struggling people and their hangmen."

They also invite the three persons to visit the EZLN General Command in Lacandona jungle in Chiapas, "where they will always be well received and protected, to receive our document of proposals."

The communique notes that the first phase of the struggle "has been carried out," although it does not state what phases will follow the armed struggle that seeks to change the government in the country.

"We do not have enough quality weapons to defend ourselves without starving. We have only sticks and cunning to face the enemy," the rebels state, appealing to the Mexican people to join their movement.

Bishop Agrees to Mediate in Chiapas Conflict

PA0901045494 Mexico City NOTIMEX in Spanish 0334 GMT 9 Jan 94

[Text] San Cristobal de las Casas, 8 Jan (NOTIMEX)—Catholic Bishop Samuel Ruiz Garcia accepted here today a proposal made by the so-called Zapatist National Liberation Army to mediate the conflict that has been going on in this southeastern region of Mexico since 1 January.

"I accept the proposal to serve as a mediator," said the bishop of San Cristobal de las Casas, Chiapas State, in reference to a communique issued by the armed group published by the Mexican newspaper LA JORNADA on Saturday.

Official reports indicate that nearly 100 people have been killed and an undetermined number injured since the armed group occupied several towns of the region known as Los Altos de Chiapas last Saturday.

Bishop Ruiz Garcia talked about "the urgent need to take specific steps toward a true consolidation of peace" and said that in these times of "sorrow and hope" we must act "with responsibility."

In the communique the armed group proposed a "public and written" dialogue with the government with the mediation of Rigoberta Menchu, the Guatemalan Nobel Peace Prize winner, Mexican journalist Julio Scherer, director of PROCESO magazine, and Ruiz Garcia.

PROCESO Director Declines To Mediate; Menchu Accepts

PA0901214794 Paris AFP in Spanish 1929 GMT 9 Jan 94

[Text] Mexico City, 9 Jan (AFP)—Mexican journalist Julio Scherer, director of the PROCESO weekly, today declined an invitation from the Zapatista National Liberation Army (EZLN) to mediate an eventual dialogue with the government.

In today's edition of PROCESO, Scherer said: "I appreciate the inclusion of my name with those of Bishop Samuel Ruiz and Ms. Rigoberta Menchu," the other two persons proposed by the EZLN.

"However, as a journalist I am committed to impartiality, which would be difficult for me to maintain in a double role as mediator and reporter of the events we are experiencing," said Scherer.

"Thus I must exclusively fulfill the rules of my profession," he concluded.

Today Samuel Ruiz, bishop of San Cristobal de Las Casas, announced in his homily that he accepted the offer to try to mediate the dialogue proposed by the EZLN, whereas the answer is yet to come from Menchu, a Guatemalan Indian who received the Nobel Peace Price in 1992.

In the same edition, PROCESO disclosed that the EZLN had asked the three to "respond publicly to our proposal and, if the response is positive, mediate in this dialogue between the struggling poor people and their hangmen. For that purpose you are invited to the EZLN General Command in Lacandona jungle, where you will always be well received and protected so you can receive our proposals in writing."

[Hamburg DPA in Spanish at 2032 GMT on 9 January 94 adds that Rigoberta Menchu has "confirmed today her willingness to accept the role of mediator in the conflict, although she expressed the need to first know the responses from Ruiz and Scherer and to have guaranteed approval from Mexican President Carlos Salinas de Gortari."]

PRD's Cardenas: Chiapas Affects Electoral Process

PA0801212694 Mexico City XEW Television Network in Spanish 2000 GMT 8 Jan 94

[From "The 24 Hours" newscast]

[Text] Cuauhtemoc Cardenas Solorzano, presidential candidate for the Party of the Democratic Revolution [PRD], expanded his position regarding the situation in Chiapas State and demanded new mechanisms to open up dialogue.

[Begin Cardenas recording] This conflict has already adversely affected the electoral process, regardless of its outcome. [end recording]

During a ceremony at a hotel in downtown Mexico City, Mr. Cardenas Solorzano accepted the support of the Broad Socialist Left Party [PAIS] for his presidential candidacy. The PRD candidate said the road leading to the solution of the Chiapas conflict is a negotiation and an immediate cease-fire.

PRD Leader Announces Peace Demonstration

PA0901172394 Mexico City Radio Mil Network in Spanish 1400 GMT 9 Jan 94

[Report by Hector Ramos Aguilar; from "The City" newscast]

[Text] After stating his disagreement with the measures cited by Federal District Mayor Manuel Aguilera Gomez to protect Mexico City residents, Mexico City PRD [Party of the Democratic Revolution] leader (Rene Bejarano), who believes that the measures will restrict the people's freedom of movement, announced plans for a large peace demonstration.

[Begin (Bejarano) recording] We will march from the Revolution Monument to the Zocalo [Mexico City main square] on 12, 13, or 14 January, and we will hold a large demonstration, which will probably be attended by our PRD presidential candidate, to demand peace in the country. [end recording]

(Bejarano) called the federal district mayor and political leaders to an urgent meeting to establish citizen protection measures that will not include the use of Army personnel to patrol the city. He said that far from calming the people, Army patrols will only alarm the public.

[Begin (Bejarano) recording] We believe the mayor should accept a meeting with political party presidents, social organizations, and city government personnel to reach an agreement that will impede [words indistinct] further in the political climate. [end recording]

Groups Protest Chiapas Crisis, NAFTA 7 Jan

PA0801160094 Mexico City XEW Television Network in Spanish 1300 GMT 8 Jan 94

[Report by Luis Perez; from the "Upon Awkening" newscast]

[Text] About 3,000 people belonging to the Independent Proletariat Movement [Movimiento Proletario Independiente] marched on several Mexico City streets during Friday afternoon, 7 January. The march began at 1600 in Paseo La Reforma, near the Child Heroes Monument in Chapultepec. They walked to Bucarelli Street, moving along Juarez Avenue until reaching Maderos Avenue and El Zocalo. During their march, they chanted slogans against the situation in Chiapas State and the North American Free Trade Agreement.

About 40 buses were impeded by the group, which blocked traffic on the streets and avenues on its path. Mr. Ricardo Barco, one of the leaders of the Independent Proletariat Movement, said a peaceful agreement between the warring sides in Chiapas was necessary.

There were also two demonstrations in Mexico city during the morning. A group of university professors picketed outside the Government Secretariat. With placards and banners, they protested the violence in Chiapas and the manipulation of Indian groups in the conflict. Afterward, 150 people from the Mexico City Neighborhood Assembly demonstrated outside the Televisa building on Chapultepec Avenue, demanding clear reportage of the events in Upper Chiapas. This group, headed by Marcos Rasconi and Javier Hidalgo, members of the Party of the Democratic Revolution, marched toward the Government Secretariat, where it joined the group of university professors in a rally.

EZLN Using Hostages as 'Human Shields'

PA0801022294 Madrid EFE in Spanish 0033 GMT 8 Jan 94

[Text] Mexico City, 8 Jan (EFE)—Mexican newspapers today reported that the Zapatist National Liberation Army [EZLN] is using more than 100 people as "human shields," including former Chiapas Governor Absalon Castellanos Dominguez, whom it is holding hostage in the hamlet of Guadalupe Tepeyac.

Reporters from the Mexican newspaper ULTIMAS NOTICIAS said EZLN members are using their hostages as shields in case the Mexican Army stages an attack to end the Zapatists' violent actions. Journalists were able to enter Guadalupe Tepeyac, where some 60 families live and which is located approximately 800 meters from the border with Guatemala in the middle of the Lacandona jungle.

The newspaper reported that the more than 100 hostages, mostly doctors and nurses, are in the hamlet's Social Security clinic. The doctors and nurses issued a public letter in which they state they "have not suffered any harm" and that they were taken hostage on 31 December—one day before the beginning of the armed rebellion which, according to unofficial Mexican sources, has killed 200 people.

Stricter Security Measures for Mexico City

PA0801141394 Mexico City XEW Television Network in Spanish 0435 GMT 8 Jan 94

[From the "24 Hours" newscast]

[Text] Federal District Mayor Manuel Aguilera Gomez announced during a news conference on 7 January stricter security measures for all of Mexico City's public services.

[Begin Aguilera recording] Additional measures will be taken on a provisional basis. They are aimed at guaranteeing the safety of all government facilities in the city. Given their characteristics, some of these preventive measures might cause some discomfort to the individuals who approach those public offices, but we believe it is worthwhile to take a few minutes and allow a careful search. [end recording]

Aguilera said the electric pylons downed by a group of people in Michoacan and Puebla were intended to interrupt Mexico City's electricity supply, but this did not happen, thanks to the Federal Electricity Commission's intervention, he added.

[Begin Aguilera recording] They did not achieve their goal, thanks to the timely and efficient intervention of the Federal Electricity Commission, and the damage caused to the electric pylons did not interrupt the city's electricity supply. [end recording]

The federal district mayor also said the permanent revision and inspection of public facilities will be performed by the public offices' own security personnel and will not require the Army's support. The federal district mayor said there are still no reports that people involved with the armed group, which operates in Chiapas State, are in Mexico City. He added: Nevertheless, authorities have located some pamphlets and printed matter which refer to that armed group.

Mr. Manuel Aguilera Gomez said the life of Mexico City's residents is continuing as normal, and these security measures in public facilities will be of a provisional nature.

Car Bomb in Mall Parking Lot; No Victims

PA0801144494 Mexico City XEW Television Network in Spanish 1300 GMT 8 Jan 94

[Report by Mario Lopez; from the "Upon Awakening" newscast]

[Text] A car loaded with explosives blew up early Saturday morning, 8 January, in the parking lot of Plaza Universidad Mall, located between Universidad and Parroquia Streets, south of Mexico City. A report by the Mexico City Police indicated that a Nissan car, in which the explosives were allegedly placed, was destroyed. No victims were reported, although property damage was extensive. The parking lot and the mall were empty. Rene Monterrubio Lopez, general secretary of protection and highways, came to the site.

[Begin Monterrubio recording] Just one vehicle was damaged. All of the other vehicles inside the building are intact. [end recording]

The car bomb exploded entirely and damaged the central roof, part of the parking lot structure, and window panes. The police began an inquiry, although no group has claimed responsibility for the attack.

Caller Claims EZLN Responsible

PA0801221994 Paris AFP in Spanish 2034 GMT 8 Jan 94

[Text] Mexico City, 8 Jan (AFP)—An alleged spokesman of the Zapatista National Liberation Army [EZLN] told AFP over the telephone that the car bomb planted at a Mexico City shopping center early Saturday morning is "the first retaliation against Carlos Salinas de Gortari" for covering up for "his cousin, Patrocinio Gonzalez, the genocidal murderer of Indians." Gonzalez is currently the government secretary,

"This is an anonymous call, write this down quickly," a man with a faltering voice said before reading the message.

Early this morning a car bomb exploded up in an underground parking lot at the Plaza Universidad Shopping Center in southern Mexico City. There was extensive damage to some 20 shops, but no one was injured.

The man who phoned AFP gave no evidence that he was in fact a member of the EZLN.

Explosion at Acapulco Federal Palace; No Victims

PA0801200594 Mexico City NOTIMEX in Spanish 1905 GMT 8 Jan 94

[Text] Acapulco, 8 Jan (NOTIMEX)—Windows and doors at the Federal Palace, which houses public offices at the Acapulco resort in southern Mexico, were shattered today by an explosion that yielded no victims, according to government sources.

The sources stated that they have no immediate details concerning the explosion in Acapulco, which is 300 km south of Mexico City.

PROCUP Claims Resposibility for Explosion

PA0901024694 Paris AFP in Spanish 0107 GMT 9 Jan 93

[Text] Mexico City, 8 Jan (AFP)—The Revolutionary Workers Clandestine People's Union Party (PROCUP-PDL) has claimed responsibility for a grenade explosion at the Acapulco mayor's office this morning, saying it was an act of solidarity with the Chiapas rebels, according to a telephone call to AFP today. The explosion did not cause any casualties.

In addition to the explosion in Acapulco, a car bomb exploded today in a mall in southern Mexico City, damaging 20 stores but causing no casualties. There was also a bomb scare at the Secretariat of Roads and Safety, which is responsible for security in the capital.

The armed clandestine PROCUP-PDL staged actions during the eighties, but in 1990 its leader and 90 members were imprisoned in the wake of an operation staged after two guards of the newspaper LA JORNADA were killed during a skirmish over the delivery of a document.

In a communique released to AFP, the group expressed support for the actions by the Zapatista National Liberation Army (EZLN) in Chiapas and said that the Mexican Army, "under the counsel of U.S. imperialism and exceeding the powers of the union, is carrying out a strategy of extermination against the insurgents and the people, showing no respect for the Geneva convention."

"Breaking the chains of fear with which the bourgeoisie attempts to immobilize and subjugate our people, we have taken up arms and refuse to allow society to be used as a hostage by a military dictatorship wearing a civilian democratic mask, which has the Mexican Army as its fundamental pillar," the PROCUP states.

In an appeal to the "Mexican people," the PROCUP-PDL states that "we are at war and join the revolutionary armed struggle being waged by the EZLN, our parties, other organizations, and revolutionary groups."

Authorities have beefed up security measures in Mexico City's international airport and have ordered a check of vehicles entering public parking lots to forestall any attack, according to a spokesperson for the terminal area.

Airport authorities are constantly checking airport terminals and pedestrian crosswalks and ordering vehicles that linger more than five minutes to drive away.

City Mayor Manuel Aguilera on Friday ordered security measures to be increased in office and public buildings after it was learned that two electricity towers were toppled in the neighboring states of Puebla and Michoacan, an act for which the EZLN claimed responsibility.

Rebels Warn of Attacks in Mexico City

PA0901195994 Madrid EFE in Spanish 1821 GMT 9 Jan 94

[Text] Mexico City, 9 Jan (EFE)—Members of the rebel Zapatist National Liberation Army (EZLN) warned today they will soon begin staging attacks in the Mexican capital, but they denied their participation in the toppling of two high-tension electricity pylons in Michoacan and Puebla, and in an explosion at the Federal Palace in Acapulco.

According to the Mexican newspaper LA JORNADA, it received a telephone call on 8 January from an alleged EZLN member who said the rebel group was not involved in the terrorist attacks in Michoacan, Puebla, and Acapulco.

Nevertheless, the caller said it is very probable that the rebel movement, which began the armed uprising in Chiapas on 1 January, "will detonate explosive devices in the Mexican capital."

The alleged EZLN member said that the civilian population of Mexico City need not be alarmed, "because we will warn the police 30 minutes in advance before the explosions."

Many newspaper reports attributed the attack in Acapulco and in the Plaza Universidad Shopping Center in Mexico City on 8 January to the extremist Revolutionary Workers Clandestine People's Union Party-Poor People's Party (Procup-PDLP). According to these reports, members of the extremist party claimed responsibility for the attacks in several telephone calls in which they said the actions were "to demand that the government stop the repression against the EZLN members" and in support of the insurrectional movement.

LA JORNADA also published a secret report composed by the Chiapas government, in which it is said that there are 42 communities in the state in the conflict zone that are described as "high risk" and 13 others in which a special vigilance must be established, "because they are highly belligerent."

The document stated that Chiapas is experiencing "the most dramatic situation of poverty in its history, because the large government investments have not been sufficient in comparison to the region's needs." According to LA JORNADA, the document described one by one the main problems faced by the people of Chiapas, such as poverty, illiteracy, a lack of loans, drug trafficking, low

wages, and others, which make "the region fertile ground for the growth of discontent, on which the armed group has capitalized."

The document also proposed 10 points to resolve the crisis, including forgiving the coffee growers and cattle growers' debt, having officials respect human dignity, creating subregional attention centers, and better definition of agrarian policies.

After recounting that the first signs of guerrillas were detected in Chiapas 30 years ago, the document read that "the emergence of the armed group should not surprise us, because since 1973 the existence of centers for guerrilla military training and for the recovery of Guatemalan guerrilla wounded was already known."

Mayors Report People Leaving Towns To Join Rebels

PA0901004994 Mexico City NOTIMEX in Spanish 0117 GMT 8 Jan 94

[Report by Miguel Angel Velasquez]

[Text] Larrainzar, 7 Jan (NOTIMEX)— People woke up warmer this Friday, and the huge mess that appears to be a quarrel, armed conflict, or war is beginning to clear up to the disbelief of some and the astonishment of others.

In San Andres—according to Mayor Diego Perez Hernandez—between 15 and 20 percent of the population left with the rebels. Here we live in 43 communities, he said. "We know they left."

San Juan Chamula Mayor Domingo Lopez Ruiz said 60 families left to join the rebels and that "they will not be allowed to return to their community as they have caused disorder."

Lopez Ruiz told a group of reporters that there were two training camps in Larrainzar, which is near San Juan Chamula. One camp is called Vayalemo and Suytic, and the other in a site called "La Casa de las Hormigas." He said the people left the villages Bautista El Chico, Tres Cruces, Setelton, and Tzotic. He added that 15 days before 1 January, a woman by the name of Willis Blanca took weapons, people, and food to those training camps.

Those villages are located some 50 km northwest of San Cristobal de las Casas, one of the towns occupied by an armed group on 1 January, which prompted the Army's intervention and resulted in 100 people being killed in seven days of violence.

In Larrainzar the situation is different, however. The mayor said that starting tomorrow, Saturday, he will meet with all the residents "to decide what will be done because their priority is to save lives."

The mayor said he was forced to turn over some vehicles and some municipal drivers were taken away. He added that "30 or 40 guerrillas have returned, but no one knows where they are." The mayor, a young rural professor, said that the "trucks loaded with people" left for San Cristobal de las Casas on the night of 31 December.

"Some 30 or 40 of them came here, seemingly unarmed. I spoke with them for two hours, but when I refused to turn over the vehicles they lifted their shirts and showed me their weapons," he said. "They told me to give them the vehicles or they would kill me. I didn't want to die, so I gave them the vehicles. I was told that many of them boarded the vehicles a little farther down the road."

In San Juan Chamula, just south of Larrainzar, Mayor Lopez Ruiz pointed out that even though local residents are unarmed, they are so well organized that on 4 January they caught "a spy."

"The man seemed suspicious. He was not looking at the road. He came here to find out about us. A judge and town councilman left in a patrol car to question him," Lopez said. "The man said he had no name and that he was from Larrainzar. He later said he was coming here to visit a friend but gave no name. He then tried to draw a weapon but was arrested," Lopez explained. "He was driving a green three-ton truck with a sign on the front that read 'El Chapulin.' We confiscated his truck, his .22 caliber Star pistol, two magazines, a license, and a voting card," Domingo said.

"The man was carrying another card that read: Soviet Union, you know where I am. A list of six weapons followed. I only remember one of them: rifle .22-16 with the price of 1,700 new pesos ($548).

"I asked the Army to take him away and General Oton Saldivar Carrillo sent me a vehicle. The man's name is Andres Hernandez Nunez. We later learned that two houses full of weapons were found in Larrainzar.

"They are ambitious people. They want the land without working for it, through violence. We all know that to have something we have to work" We do not believe in violence. That is why God gave us the power to speak so we can express our needs. Even though I am an authority, I cannot give all the orders by myself, I am not a dictator," Lopez added.

"Those who left are not going to be forgiven. They caused disorder and that is why we could not drive to the city to buy fuel, medicine, or anything. The people will not forgive them because the people of Chamula can think and can get things done through discussion," the San Juan Chamula mayor said.

Official Cites Identity of Rebel Leaders

PA0801165794 Mexico City XEW Television Network in Spanish 1300 GMT 8 Jan 94

[Report by Saul Sanchez; from the "Upon Awakening" newscast; passages within quotation marks recorded]

[Text] Socorro Diaz Palacios, deputy government secretary, stated yesterday the government has information

on the identity of the individuals leading the armed group operating in Chiapas State.

[Diaz] "Concerning the Mexicans, some are activists connected to guerrilla groups dismantled in the 1970's."

Commenting on leaders who are foreigners, she said they may have gotten experience on guerrilla warfare in countries south of Mexico. Diaz said the capture of individuals who come from that region and their level of training lead to that suggestion, saying that a Nicaraguan and, apparently, a Guatemalan are under arrest.

[Diaz] "The aggressor armed group has received the support of certain ideologues and clergymen from different denominations that act on their own. They have organized cadres and the interiors of their villages, allowing them to go from convincing rural residents to recruiting and training them subsequently in subversive and terrorist practices." Diaz reported that summoning orders are being issued for people allegedly tied to these criminal activities. She added that the armed group has 15 training centers; six of them are located in Las Margaritas, five in Ocosingo, two in Sabanilla, one in Altamirano, and one in Chanal.

[Diaz] "They have regulations and internal discipline, as well as different instruction handbooks covering the use of weapons, planning of attacks, combat strategies, security and communications systems, and disciplinary measures. Procup [Revolutionary Workers Clandestine People's Union Party] literature was found in their camps, which they support by distributing its publications."

The rebels accompany their methods to recruit personnel with threats to the effect that they will take away properties or expel from the community those who are reluctant to join criminal activities. The official said there were instances in which children were kidnapped to induce their parents to join the guerrillas.

[Diaz] "Co-opted or pressured groups devote their efforts to the building of training centers. These families prepare food to meet the needs of this radical and violent group."

She added that, based on the information that exists, it is believed there are three kinds of operation bases.

[Diaz] "They are located in inaccessible terrain, hidden by foliage. Reaching those sites requires walking three or four hours on partly exposed paths in areas densely vegetated."

Militants have been strategically deployed to penetrate all of southern Chiapas. When they take control over a region, municipal, productive, and educational activities are neglected.

[Diaz] "The so-called militia or militant squads operate as a paramilitary apparatus. Each squad consists of one sergeant, one corporal, one radio operator, one health provider, and 20 militants." These rebels possess .22-caliber rifles, 5.56-mm AR-15 rifles, .30-caliber M-1 carbines, and different kinds of shotguns, pistols, and revolvers. These weapons are manufactured in the United States, the United Kingdom, and Russia, and especially used by guerrilla units. Diaz said they are operating with sophisticated radio communications equipments.

[Diaz] "Their radio communications equipment has between 23 to 40 transceiver channels, and they operate from 2400 to 0600." The official said it has been possible to detect part of their key code and record transmissions.

[Diaz] "The transmissions base station from the subversive general garrison goes by the identification code name of Cicara, which apparently stands for the so-called El Caracol Instruction Center [Centro de Instruccion El Caracol], located in the town by that same name of Las Margaritas."

The deputy government secretary said although social demands have been met, the subversive groups' operations have increased, adding that last year on three occasions Mexican authorities learned that aggressor groups were preparing violent actions. She acknowledged that authorities acted with unusual calm and flexibility. Diaz read a 28-page report prepared with information supplied by the National Defense Secretariat and the Attorney General's Office.

[Diaz] "The so-called Zapatist National Liberation Army is an extremist, violent, professional, and well-trained organization; its profile is highly ideological and uses a language that is characteristic of extremist guidelines."

Indians Asks for Advance Warning on Bombings

PA0801222394 Hamburg DPA in Spanish 1459 GMT 8 Jan 94

[Text] San Cristobal de las Casas, 8 Jan (DPA)—Members of the Indian communities settled in the mountains near San Cristobal de Las Casas are beginning to panic due to operations by the Mexican Army to "comb" the area for guerrillas of the Zapatist National Liberation Front, EZLN.

"Please tell the Army that we are not Zapatists and to give us a warning before they bomb the area because we are very scared," a group of Chamulas Indians living in the Zontehuitz and Tenejapa area, where military actions have concentrated during the past 48 hours, told journalists.

Although there is no evidence of injuries among the civilian population, rockets fired from "Pilatus" planes and shooting from tanks and armored vehicles have made that wooded mountainous region a veritable inferno for its inhabitants.

According to the Defense Ministry, the area was bombed during the pursuit of 400 EZLN guerrillas who were planning to sabotage a microwave tower on Huitepec Hill, a strategic communications point in southeastern

Mexico. The bombing began at dusk on 9 December and grew more intensity on the morning of 10 December. According to the same source, the rebels managed to damage three airplanes and two helicopters.

Witnesses said that at least four airplanes, three helicopters, 12 tanks, combat vehicles and artillery-equipped jeeps participated in the actions, as well as an undetermined number of troops, who were transported to the area in 10 trucks.

Just as it happened with the settlers in the southeastern mountains—where the communities of Corralito and San Antonio Banos, which were also bombed for three days, are situated— the inhabitants of Zontehuitz and Tenejapa told journalists they have not seen any guerrillas in that region.

According to nongovernmental organizations in San Cristobal, the bombings during the first days of the week against areas near Corralito, San Antonio Banos, and San Isidro Ocotal, southeast of the city, caused more than 2,000 Chamulas Indians to flee.

These organizations, grouped in an alliance called "Chiltac"—which in the Tzotzil language means "compañero"—said that the majority of Indians sought refuge in the same hills so they would be near their homes. Only a few have moved to San Cristobal for safety.

San Cristobal Bishop Samuel Ruiz said he has no information on the situation in the conflict area because land and telephone communications have been cut off. "I have been unable to communicate with my pastors or representatives," he said.

On Thursday the Army placed a viselike grip on the guerrilla's territory in what seemed like the beginning of a vast offensive to "clean up" the region following the retreat of rebel forces into the mountains.

Armored personnel carriers and troops on alert are denying access to the area, which is a triangle covering several hundred square kilometers with points at San Cristobal de las Casas, Ocosingo, and Las Margaritas.

During this apparent offensive, the army recovered control in the majority of the towns previously occupied by the rebels such as Huixtan, Oxchuc, and Altamirano without pressure from the military.

There is no independent information about the fate of the civilian population within the triangle of operations, although the military command allowed the government's National Human Rights Commission to send a representative into Ocosingo yesterday.

The commission president, Jorge Madrazo, who has been in San Cristobal since last Wednesday, asked local and military authorities to provide shelters for the refugees immediately.

Guatemalan Charged for Chiapas Attacks

PA0901172294 Mexico City Radio Mil Network in Spanish 1400 GMT 9 Jan 94

[Report by Leonardo Rosas Gonzalez; from "The City" newscast]

[Text] Charged with the infliction of injuries, homicide, criminal association, and the use of exclusive Army regulation weapons, the Attorney General's Office [PGR] has requested that criminal proceedings be brought against Guatemalan Jesus Sanchez Galicia.

The Guatemalan has admitted to PGR officials that he had participated in armed attacks in Tecun and Ocosingo, Chiapas. He has confirmed that he had been arrested by Federal Judicial Police members at the highway checkpoint at the Catahashi-Chiapas crossroad, Tabasco State. Jose Sanchez Galicia has revealed that he is a native of Ticul Municipality in Guatemala, the country from where he received military training. Sanchez has been identified as one of the main commanders of the armed groups that are breaking the law in Chiapas. He said he is an expert in the handling of automatic weapons, pistols, revolvers, and rifles. He has been placed under the charge of the district criminal judge in Tuxtla Gutierrez, Chiapas.

Michoacan Governor Denies Existence of Armed Groups

PA0901174494 Mexico City Radio Mil Network in Spanish 1400 GMT 9 Jan 94

[Report by Maria de los Angeles Garcia; from "The City" newscast]

[Text] State Governor Ausencio Chavez Hernandez has denied the existence of armed groups in Michoacan. He has described the attempts two days ago by unidentified individuals to down a Federal Electricity Commission high-tension electricity pylon, located 10 km from Periban, as an isolated incident.

Chavez has met with reporters at the State Government House and said there is a climate of work, calm, and social peace in the state. The governor also denied that dynamite or blowtorches were used in the attempt to down the high-tension pylon, and he revealed that a fretsaw had been used to cut the base of the tower. Chavez added that the sabotage had been perpetuated by people who wanted to stand out by following examples set in other areas, referring to the events in Chiapas. Chavez reported that the high-tension pylon had not been damaged and that the electricity supply had not been cut off.

Army Resumes Attacks After Reported Assault

PA0901231894 Paris AFP in Spanish 2144 GMT 9 Jan 94

[Report by Antonio Ortega]

[Excerpt] San Cristobal de Las Casas, Mexico, 9 Jan (AFP)—The Mexican Army today resumed its attacks on guerrillas in the conflict areas surrounding Ocosingo and Tenejapa. There was artillery fire at approximately 1300 local (1930 GMT) near the garrison of the 31st Military Zone, which, according to reports that have been neither confirmed nor denied by the Army, has been attacked by rebels.

A caravan of the "All Rights For All" Organizations Network tried to advance toward Tenejapa, and when the military prevented their advance in the place known as La Garita, explosions were heard in the bush.

In the morning, another caravan of the Network tried to go to Ocosingo, Altamirano, and Oxchuc, where there have been clashes between guerrilla and regular forces, but the soldiers prohibited the trip.

In both cases, personnel in charge of the road blocks said traffic was not allowed through because rebel groups are in the area and the Army wants to be able to guarantee safety and tranquility before opening the roads.

Human rights groups and the media have protested the fact that for four days there have been road blocks on the access routes to the conflict area, on the road to Comitan, on the road from Palenque to Ocosingo, and on other roads where there is supposedly a rebel presence.

Some reporters believe the authorities have "cordoned off the media" while they carry out a "clean-up operation at the combat sites," because so far the effects of the bombing and shelling by the military over the last four days is still unknown.

Saturday was apparently a calm day as no shelling or rocket explosions were heard, nor were there reports of clashes between the Armed Forces and the Zapatista National Liberation Army (EZLN), which declared war on the Army on 1 January. [passage omitted]

Continued EZLN Attacks on Garrison Reported

PA1001015694 Mexico City NOTIMEX in Spanish 0106 GMT 10 Jan 94

[Text] Mexico City, 9 Jan (NOTIMEX)—It was officially reported today that at least 97 are dead, an undetermined number are wounded, and 107 armed men have been captured by the Army since the beginning of the conflict in the southern Mexican state of Chiapas.

The National Defense Secretariat also stated in a communique that the armed group today, Sunday, fired for the eighth consecutive day against the headquarters of the 31st Military Zone, 10 km southeast of San Cristobal de Las Casas.

This time the members of the self-styled Zapatista National Liberation Army [EZLN], which on 1 January occupied several towns in Chiapas State, also cut the electricity supply to the region, stated the source.

According to the communique, 61 members of the armed group are dead and an undetermined number are wounded. As for the Army, three officers and six soldiers have died, and two officers and 27 soldiers have been wounded.

It has also been officially reported that 22 policemen and five civilians died during the first days of the clashes.

The military source reported that 107 members of the EZLN have been captured and that 145 firearms of different types and calibers, 17 grenades, 9,600 rounds of ammunition of different calibers, and 94 sticks of dynamite, among other materiel, have been seized from the EZLN.

On the ninth consecutive day of the conflict, the municipal capitals of Ocosingo, Las Margaritas, Altamirano, and San Cristobal de Las Casas, as well as other towns such as Chanal and Morelia, are under military protection.

The Army maintains checkpoints in the conflict areas to "protect the citizenry from the aggressors' attacks against vehicles" and to keep the armed group from stealing vehicles and using them in their activities.

The communique indicated that in towns such as San Cristobal de Las Casas, Ocosingo, and Altamirano, the Army is offering medical attention, distributing food, and providing attention to [words indistinct].

Costa Rica

President Expresses Solidarity With Mexico on Chiapas

PA0801040594 Mexico City NOTIMEX in Spanish 0042 GMT 8 Jan 94

[Text] San Jose, 7 Jan (NOTIMEX)—Today Costa Rican President Rafael Angel Calderon expressed his solidarity with the Mexican Government, and he called on the rebel groups operating in several towns in the Mexican state of Chiapas to stop the violence.

The president said in a telephone call, "I expressed our broad and brotherly solidarity to Mexican President Carlos Salinas de Gortari, and today I want to take this opportunity to publicly reiterate it."

Calderon said that the violent actions in Chiapas are unjustified now that Salinas de Gortari "has made Mexico a nation of great economic and social development, the fruits of which are already being experienced by the people." Violence, he stressed, has never been a foundation for democratization processes or a permanent base for social achievements.

El Salvador

President Remarks on Deployment of National Civilian Police

PA0901183794 San Salvador Canal Dos Television in Spanish 1900 GMT 3 Jan 94

[Report by Jorge Barahona on the weekly news conference by Salvadoran President Alfredo Cristiani after a ceremony marking the deployment of National Civilian Police units at the Unicenter Commercial Center in Soyapango on 3 January; from the "El Salvador Telepress" newscast; passages within quotation marks recorded]

[Text] [Cristiani] "We have decided to discontinue demobilizing the National Police [PN] for as long as this change in the deployment plans for the National Civilian Police [PNC] requires. This will not modify the general timetable, however. The PNC transfer and deployment plans will be completed by October 1994. Our intention now is to transfer those units being discharged from the PN to other places requiring a greater security force presence."

This plan will have other consequences in San Salvador, such as the reorganization of the city's layout. President Cristiani said that this will be done gradually, as the PNC is deployed throughout the city. The president explained this as follows:

[Cristiani] "Instead of the nine or 11 sectors into which the city was divided before, we will now have 45 sectors in the metropolitan area. We have evaluated the city's physical structure—meaning streets, neighborhoods, municipal limits and other aspects of the terrain—and reached this distribution. Each sector will have a person who will be responsible for the sector's public security. He or she will be at least an officer or a deputy commissioner, which the PNC will explain later in greater detail, regarding Soyapango and Ilopango. Each sector will have at least 50 public security units. If we can do this, we will have more than the initial 2,000 units we had with both public force institutions."

This again leads to another important question: When will the PNC be completely deployed in San Salvador? The president apparently has a set timetable that he presented during the news conference.

[Unidentified reporter] "Mr. President, under this new direction of the public security plans, when will the PNC be deployed to all these areas you have described?"

[Cristiani] "The deployment plan is a gradual one. The next two municipalities are not yet defined. These next two will be determined in January, basically because there are several variables that must be considered. These elements include terrain extension, the number of criminal cases, the graduation rate at the public security school, the reenlistment of PN personnel, and so on. We have completed this study for Soyapango and Ilopango, and we are making further evaluations to determine which municipality will follow. We believe that the PNC will be deployed in the metropolitan area in approximately four or five months."

That is basically what President Cristiani said today about completing the PNC deployment in San Salvador. One might ask why Soyapango and Ilopango were selected for deployment. The government reports that 339 crimes are reported here in Soyapango. A majority of 57 cases are car thefts, while 53 percent are muggings.

Cristiani Says Chiapas, NAFTA Discussed During Mexico Trip

PA0901000694 Paris AFP in Spanish 1930 GMT 8 Jan 94

[Text] San Salvador, 8 Jan (AFP)—Salvadoran President Alfredo Cristiani said Saturday that his Mexican colleague, Carlos Salinas de Gortari, is seeking a solution to the week-old Mexican armed conflict but "will not harm the population." During a news conference following a visit to Mexico, President Cristiani said: "Of course we discussed the Chiapas problems. President Salinas said it is a very delicate matter and that he is trying to solve it as quickly as possible without inflicting any suffering on the population."

Salinas met with Cristiani and Honduran President Rafael Callejas in Mexico City and told them about the ongoing events in southern Mexico that began with an uprising led by the Zapatista National Liberation Army (EZLN). Regarding reports by Mexican officials about the alleged presence of Salvadoran guerrillas fighting

alongside the EZLN, Cristiani said the issue was not discussed during his meeting with Salinas.

Cristiani did say that the consequences of the North American Free Trade Agreement (NAFTA) for Central America was among the main issues discussed during the meeting. The agreement signed by Mexico, the United States, and Canada went into effect on 1 January. According to Cristiani, "Mexico is willing to continue negotiations for a free trade agreement with Central America. It would be a disadvantage for our products not to have access to the Mexican market."

FMLN Reports Murder of 3 Members in Western Department

PA0901183894 Mexico City NOTIMEX in Spanish 1453 GMT 7 Jan 94

[Text] San Salvador, 7 Jan (NOTIMEX)—The Farabundo Marti National Liberation Front (FMLN) reported here today the murder of three other members of that organization in the western Department of Santa Ana.

FMLN Spokesman Juan Ramon Medrano said that the victims were members of the same family and that the incident occurred on 29 December in the town of Ochupse, in the jurisdiction of Santa Ana Volcano.

According to the FMLN version, several heavily armed men stormed the victims' house and killed Lorenzo de Jesus Cabrera, Santo Feliciana Venegas, and Ruben Eduardo Escobar—tattooing the letter M on his body after beheading him.

The victims were rank and file FMLN militants in Santa Ana Department, and the sources said this was another political crime.

"Nothing was stolen from the house; they came expressly to kill them," said Zeledon Rodriguez, FMLN representative in Santa Ana.

The former guerrillas demanded an investigation in Santa Ana, which was one of the regions that was viewed as a bastion for the death squads during the past armed conflict.

According to FMLN statistics, in 1993 approximately 40 members of that organization, including rank and file militants and leaders, were killed by presumed death squads.

A special commission consisting of two delegates from the Salvadoran Government, one from the United Nations, and the ombudsman is investigating political murders that have occurred after the signing of peace agreements in January 1992.

[Mexico City NOTIMEX in Spanish at 0014 on 7 January transmits a report stating that "the FMLN reported on 7 January the murder of another member in the western Department of La Libertad." The report adds that "an FMLN spokesman identified the victim as Vicente Soto, a member of the Farabundo Marti People's Liberation Forces (FPL)."]

Guatemala

De Leon Assumes Leadership of Peace Talks

PA0901225794 Guatemala City PRENSA LIBRE in Spanish 7 Jan 94 p 79

[Text] "As of today I assume the leadership of the peace talks that have resumed in Mexico. For that reason, I have an open telephone line with the delegation, because I am directly responsible for the peace process," President Ramiro De Leon Carpio said in San Gaspar Chajul at the end of the inauguration of various projects and the presentation of a contribution to the Chajul Val Bak Cuyol Association.

"For the past seven months this responsibility was delegated to Hector Rosada, and I maintained direct participation. Now I will be responsible for the agreements that—God willing—will lead to the signing of a comprehensive social and economic peace," he added.

De Leon Carpio said that this was his first statement on the topic of talks with the URNG [Guatemalan National Revolutionary Unity]. He also said the governmental delegation in Mexico has a specific mission: to establish contacts for a future dialogue.

"We hope the established objective will be achieved; in other words, the establishment of the procedures and mechanisms for a future dialogue. They will not undertake an in-depth analysis of a specific topic or of the peace plan that the government has begun with the national reconciliation," he said.

UN's Goulding Unexpectedly Arrives

PA0801225594 Paris AFP in Spanish 2148 GMT 8 Jan 94

[Text] Mexico City, 8 Jan (AFP)—UN Under Secretary General Marrack Goulding was present today at meetings between the Guatemalan Government and guerrillas, which began three days ago in Mexico City.

Goulding continued the process that began Friday during which both delegations are meeting separately with UN officials, including mediator Jean Arnault.

The secrecy surrounding the topics discussed and whether a consensus has been reached was maintained again today. Guerrilla Commander Pablo Monsanto, however, said that "the meeting is taking place under positive terms" and thus did not rule out the possibility of reaching an agreement if the current pace continues.

Goulding's unexpected arrival has caused observers to believe that an agreement could be reached on Sunday, when the current round of talks is scheduled to end.

The topics discussed include human rights, the situation of Conciliator Monsignor Rodolfo Quezada, whose mediation the government no longer recognizes, and the participation of civilian society in the solution of the conflict.

Meanwhile, leaders of the Guatemalan National Revolutionary Unity rejected accusations by the Army that the URNG is linked to the guerrilla uprising in the Mexico's Chiapas State.

De Leon on Talks, Chiapas

PA0801130094 Guatemala City Teleonce Television in Spanish 1900 GMT 7 Jan 94

[From the "Telepress" newscast]

[Text] On Thursday night, President Ramiro de Leon Carpio commented on the first preliminary meeting between government and the URNG [National Guatemalan Revolutionary Unity] representatives. On this topic, the president said he trusts these first rapprochements will yield good results in order to, later, insist on a peace agreement.

[Begin De Leon recording] We have learned that the first stage of the preliminary meeting, a discreet meeting, was held today, aimed only and exclusively at establishing the mechanisms, procedures, and frames of reference for establishing a formal dialogue.

This means that this preliminary meeting is not meant to analyze the plan. The plan is being carried out in its first two stages: The national reconciliation here in Guatemala and the struggle against poverty, which is the second stage, or a response to the economic and social needs, which is also being developed.

The third stage, however—the dialogue between the government and the URNG to end the internal armed conflict, which is more than 30 years old—is the one that today, in the first session or meeting, was started through a preliminary meeting.

I know today's meeting agenda was thoroughly discussed; that is why we said the meeting was not successful, but just normal, I would say. The URNG representatives and the representatives of the government I head talked about and completed the agenda for today; tomorrow, the meeting continues, and, I can say, with great hope and faith that the political will of the parties will be presented and demonstrated at this first meeting and, of course, in the others too. This could lead us, in the short term, to the possibility of reaching peace, to later dedicate ourselves to peace, and not just to end the internal armed confrontation; this is not just peace as an absence of bullets, but also to build peace here—economic, social, and overall peace with social justice for all Guatemalans. [end recording]

The president added that the armed rebellion in Chiapas State, Mexico, will not have a negative influence on the peace talks with the Guatemalan guerrillas.

[Begin recording] [De Leon, in progress] ... favorable in a way, because I believe that this, pressures—to use an adequate and simple term—the URNG to speed up the peace process, mainly taking into account the fact that one Guatemalan has already been captured after participating in those subversive activities, those illegal actions, outside the law of Mexico; and therefore, I think this in no way hurts the peace talks. On the contrary, I think it speeds up the process. It is another external aspect that contributes to the fulfillment of that political will by the URNG.

[Unidentified reporter] Mr. President, the Mexican Army, however, has repeatedly accused Guatemalan refugees in Mexico of starting that rebellion. What is your opinion on this?

[De Leon] We respect the events that take place in other countries, the treaties, and the sovereignty of other countries, and therefore, we limit ourselves to commenting on what we know, what the Mexican Government has stated, and what the media has reported to us.

Later, we will be able to provide official statements from the Guatemalan Government, but, for the time being, we only know what the Mexican Government has stated, and we stick with that because we respect their statements. [end recording]

De Leon Accepts Resignation of Economy Minister Dominguez

PA0901205694 Guatemala City PRENSA LIBRE in Spanish 6 Jan 94 p95

[Text] President Ramiro de Leon Carpio accepted yesterday afternoon the resignation of Economy Minister Fanny Dominguez de Estrada and named Guillermo Rodriguez Mahuad as acting minister.

It was officially announced last night that President de Leon decided to accept Estrada's resignation after studying the matter. She submitted her resignation in mid-November, shortly after replacing Cesar Alcides Soto Rodas.

Ms. Estrada resigned citing health reasons, but the government announced last night she will be named head of the Association of Nontraditional Products (Gexpront), where she performed a work public officials and private businessmen have described as successful.

Banker and exporter Eduardo Gonzalez Castillo is reportedly a strong contender to replace Estrada, although the possibility that Rodriguez may be confirmed has not been ruled out, given that he is also an expert in commerce and international businesses.

Ministry Says Chiapas Conflict Affecting Trade With Mexico

PA0901215994 Guatemala City SIGLO VEINTIUNO in Spanish 7 Jan 94 p 5

[Text] The Guatemalan Foreign Trade Ministry said yesterday that the armed conflict at border towns in Chiapas State, Mexico is affecting free trade between the two countries and added that any delays have a direct bearing on the economy because exports lose their competitive edge. The ministry also expressed hopes that the conflict would prove temporary because commercial relations could be negatively affected in both Mexico and Guatemala.

The Foreign Trade Ministry emphatically denied that the meeting between Mexican and Guatemalan trade authorities scheduled for 30 November in Tabasco was suspended due to the recent armed conflicts, saying that the meeting was postponed for administrative and strategic reasons and noting that the conflicts had not even begun when the decision was made. The Foreign Trade Ministry also emphasized that talks are being held with Mexican economic authorities to establish new routes for the products.

If the armed conflict continues, it is highly probable that trade will practically come to a standstill, thus bringing negative consequences, the ministry concluded.

Government To Stage 15-Day Long 'Diplomatic Offensive'

PA0901172594 Guatemala City SIGLO VEINTIUNO in Spanish 6 Jan 94 p 3

[Text] As of 12 January and for 15 days the Guatemalan Government will stage a diplomatic offensive throughout the countries of America and most of Western Europe to inform them of two specific issues: peace and human rights in Ramiro de Leon's government.

This information was disclosed at a news conference by Foreign Minister Arturo Fajardo Maldonado, who said the offensive in question will be conducted by representatives from the Foreign Ministry, the Presidential Commission for the Coordination of Human Rights Affairs (Copredeh), and the Guatemalan Government's Peace Commission.

Fajardo added that the plan has already been distributed to six specific groups and that in his own case he will be abroad for a week, during which he will visit the United States, Canada, and certain South American countries.

The foreign minister explained that resources for the trips will be taken from the regular budgets of the concerned government institutions, although he added that diplomacy requires some investment to fulfill its duties.

Fajardo Maldonado also announced that President De Leon Carpio will visit Mexico in January to meet with his counterpart, Carlos Salinas de Gortari, although this trip is not connected to the recent armed events on the border between the two countries.

Similar circumstances surround the president's trip to Costa Rica, although this trip may be postponed until February, given that elections will be held in that country soon.

Fajardo also confirmed his own and President De Leon's attendance at the inauguration of Honduran President Carlos Roberto Reina, to which both have been invited; the inauguration has been scheduled for 27 January.

The foreign minister also used the occasion to refute statements by Government Spokesman Felix Loarca Guzman to the effect that Guatemala has not yet decided to support any of the candidates to the OAS general secretaryship.

Alleging a slip of the tongue by Loarca, the top diplomat said that Guatemala's position is clearly that it supports the candidacy of Costa Rican Foreign Minister Bernd Niehaus, which is established in a pledge made from the time of the San Salvador summit in 1991 and at subsequent summits, including the last one, which was held in Guatemala.

Fajardo said that the president has full confidence in him and that he will continue in his post, due to which he has already called for specific foreign policy jobs, although he explained that he has not directly discussed this issue with de Leon Carpio.

To conclude, Fajardo said that it is up to the government to grant approval to Belizean Ambassador Atly Morales, because diplomatic approvals are to be included in a general policy that will be established with the participation of all the social sectors.

Honduras

President Callejas Remarks on Various Issues

PA0901181794 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 7 Jan 94

[Report on an "exclusive" interview with Honduran President Rafael Leonardo Callejas in Comayagua; date not given; from "The Morning Paper" newscast; passages within quotation marks recorded]

[Text] President Rafael Leonardo Callejas has said that he opposes a reduction in the price of fuel in the amount that has been announced, because this would leave Dr. Carlos Roberto Reina without a protective cushion. He also said that he will begin a tour in March, as a politician, through all of Honduras to try to restore the National Party [PN].

President Callejas, who inaugurated the Siguatepeque Municipal Palace at a cost of 3 million lempiras, has said that he disagrees with the U.S. Embassy, which accuses Honduras of being irresponsible and of not honoring the rights of American citizens regarding properties, which, according to the law, belong to the Honduran state; an example of this is the United Nations Park.

An example of a good situation between Honduras and the United States is the contract I have just signed with the U.S. Motorola Company, which at a cost of $25 million will install cellular telephones in our country, Callejas said, adding: We have also signed a contract for $60 million to install a 25-megawatt power plant.

[Callejas] "I am concerned sometimes about radical positions that U.S. foreign policy sometimes adopts. One of the largest U.S. telecommunications companies, Motorola, was granted the day before yesterday a contract to install cellular phones, and it will invest more than $25 million. We have just signed a contract for the installation of a 50-megawatt [as heard] private power plant by a U.S. company at a cost of $60 million. This means that while the U.S. Embassy—especially U.S. foreign policy—is trying to create difficulties around the problems concerning the properties of certain Americans in the country, sectors from the U.S. economy are coming here to invest over $100 million."

Concerning the properties for which certain American citizens are fighting, Callejas said he will ask the Supreme Court to explain each case so that the people can find out to where the U.S. Embassy wants to irresponsibly lead our country.

[Callejas] "As for the lands, there is much that remains to be said. Actually, one of the problems has been the way in which many Americans have come here to buy lands, especially in Islas de la Bahia, even though the Constitution states that no foreign citizen can buy lands located 40 km from the border.

"What has happened in the past is that the offices of the mayor first determined which urban areas could be sold and then sold the plots of land and properties; this created certain difficulties regarding the legitimacy of the lands. Very often the lands were just leased for long periods.

"I recognize that when an American has the right the law should protect him, but what I perceive is that attempts are being made to create the impression that all Americans have this right, because their position is the correct one. I do not agree with that, because many Americans come to our country and violate the law, and that does not give them the right to be protected by the state's judicial systems. The courts are there to solve it.

"I would ask the media and, especially, the Supreme Court to inform about each one of these cases so that we cannot end up believing that everything the United States does is ethical, correct, and right. There are U.S. citizens who may have the right, and there are others who do not."

The president said he will not sign any more contracts and has instructed the Comptroller General's Office not to carry out these types of actions that could create problems for the next government.

[Callejas] "I would like to refer to this. I have recently seen, with a certain degree of concern, accusations being made permanently in the media, especially concerning new contracts or actions taken by the government. I would like to inform the Honduran people that I asked the Comptroller General's Office not to authorize new contracts toward the end of my administration, so as to avoid problems.

"We want to clear up any doubts that may exist regarding the actions taken by my government. There are certain charges that lack totally any basis. The sale of the (Cobasa) Company is something about which we have not even thought. No sale has been made, and we do not even have time to hold a public bid; that will be the next government's responsibility.

"I saw in a Tegucigalpa newspaper today a serious accusation against a public official simply because he traveled to the PRC, and instead of taking the daily allowance of $250, he took $400, which was what the board of directors had authorized. The newspaper reported it on the front page as an act of corruption. One thing is trying to get the sympathy of the moral revolution and the next government, and another is to have the fundamental basis not to make accusations that can adversely affect people, who have been honest throughout their lives."

Concerning the reductions in the price of gasoline—which have been announced at 1.40 lempiras per gallon—Callejas said he opposes it, because it would leave Dr. Carlos Roberto Reina without a protective cushion if prices fluctuate. He said currency devaluations could occur before March. Callejas said he will ask the Economy Ministry to reduce prices by only 1 lempira per gallon; otherwise, it would be an irresponsible thing to do by his government.

[Callejas] "There has been a substantial reduction in oil prices internationally, and our policy is that when there is a change in prices of more than 5 percent, the price is transferred to the consumer. I have seen some figures in the media with which I do not necessarily agree, especially regarding the reduction that should be passed on to the consumer. This reduction does not consider the new gasoline price increases in the upcoming shipments or currency devaluations. I sincerely do not want to leave the next government the immediate responsibility of having to increase prices.

"I will probably discuss the reduction in prices with the Economy Ministry. The next government should have a small cushion which can allow it to work based on

currency fluctuations or international prices at least until March. I can tell the Honduran people that there will be a gasoline price reduction, but it will not be the kind of reduction included in the proposal brought to me by the Economy Ministry. Instead of 1.40 lempira, it will probably be a 1- lempira reduction."

On his private life the president said that he will travel to Miami and New York starting 27 February to have his shoulder examined, as he is experiencing pain. In March he will conduct his first national tour to restore unity and recover power in the next elections. He will be accompanied by the National Party's central committee, but he hopes the February convention will elect the new National Party authorities with whom he will tour all of Honduras.

[Callejas] "In February I will conduct a private visit to the United States, particularly in Miami and New York. I want doctors to take a look at my shoulder, because I am still feeling pain in the muscle and tendon in the right shoulder. I will visit the doctor and then travel to New York with my wife to rest. I will return in March to participate in the business firms with which I am an associate or owner. I am also going to try to contribute to the new political options of the National Party. I hope to visit the different departments of the country in March. I want to tell the people there that the National Party believes unity is essential for recovering power. We believe that clearly established processes of democratic participation are essential as well."

Finally, the president of the Republic, in this exclusive interview with Voz de Honduras, said that the debts owed by his party's transportation workers will be paid off within the next few days. He said a meeting with the finance commission was held, and the funds are now available at a banking institution so that transportation workers can collect the money. They should not be concerned, he said.

President-Elect Supports Investigation of Disappearances

PA0901235894 Panama City ACAN in Spanish 2255 GMT 4 Jan 94

[Text] Tegucigalpa, 4 Jan (ACAN-EFE)—Honduran President-elect Carlos Roberto Reina said today that his government will follow up on the investigation of disappearances of 183 people over the past 10 years in this Central American country.

Reina, winner of the November 1993 elections, told local media that the preliminary 29 December report presented by Leo Valladares, national human rights ombudsman, "is a very courageous" document and that its recommendations should be followed.

The report, which states that civilian and military personnel are responsible for the forced disappearances of dozens of people, "is a thorough study in which the truth is evident. Its effects will be proportionate to the courage with which the information is managed," said Reina, who will be sworn in on 27 January.

Supreme Court President Orlando Lozano Martinez announced that the judicial branch will also follow up on Valladares' report.

A Judicial Branch plenum resolved that Honduran judges in charge of criminal cases in places where both citizens and foreigners have reportedly suffered forced disappearances must begin or continue trials to punish the culprits.

The Supreme Court also formed a special commission of prosecutors to study the national human rights ombudsman's report and to proceed with the corresponding legal actions.

The Attorney General's Office, which will appoint a prosecutor next week, will continue the work done by the [Supreme Court] prosecutors.

Human rights organizations are demanding that Division General [as received] Luis Alonso Discua, chief of the Armed Forces, be investigated in connection with several disappearances that took place while he was commander of the so-called "3-16" counterintelligence battalion in 1984.

The Committee of Relatives of Missing Detainees in Honduras (COFADEH) on 7 January will request at the Legislative Assembly that Discua be temporarily suspended so he can be investigated in connection with the disappearances, a request which, in President Rafael Callejas' opinion, "lacks any legal basis and will not be considered."

Discua, who examined the report on the disappearances with Callejas on 3 January, has made no comment, although on various occasions he has said he had no part in the violations.

Callejas said on 3 January that the report should not be used to open new wounds but to unite rather than divide the Honduran family. Carlos Sosa Coello, a deputy for the minority Social Democratic Innovation and Unity Party (PINU-SD), feels that Gen. Discua should be summoned by the Legislative Assembly to hear his views concerning the disappearances and that the state should compensate and apologize to the missing detainees' relatives.

Legislative Assembly Vice President Marco Augusto Hernandez said that if any conclusive evidence is found implicating Discua in the forced disappearances, he should be separated from his post.

Human Rights Commissioner Leo Valladares is of the opinion that a pardon cannot be granted in the case of the disappearances if the alleged perpetrators do not admit their culpability.

Valladares also asked the Armed Forces to open its files to facilitate the investigations.

"Reconciliation is sought through the search for truth and the implementation of justice," said Valladares, who also believes that the law will determine who is guilty.

The report on the disappearances also names U.S. and Argentine military officers and former Nicaraguan "contra" fighters who operated out of Honduras during the eighties.

Economy Minister Urges Resolution of Expropriations Issue

PA0601222694 San Pedro Sula LA PRENSA in Spanish 6 Jan 94 p 7A

[Text] Yesterday, Economy Minister Carlos Chahin urged legal authorities to resolve the problem of illegal land expropriations from some 30 U.S. citizens because it is jeopardizing foreign investment in the country.

These statements were made following publication of an edition of the U.S. newspaper THE NEW HERALD, in which an official of the U.S. Embassy in Honduras warned investors about the risks of investing in Honduras due to a disrespect for the law. Chahin expressed his surprise over the publication since U.S. authorities have spoken "highly" of Honduras following the approval of the Copyright Law. However, Chahin said, the problem now is that illegal expropriations "leave a lot to be desired from the Honduran legal system, which makes me very sorry. Therefore, I must tell the next legal authorities so that they will be punctual and legalistic."

Chahin regretted that situations of this type tarnish the level of competitiveness Honduras offers to foreign investors by having the least expensive manual labor in Central America. In Honduras, one minute of work only costs nine cents, while in other countries, such as Costa Rica, it costs about 13.5 cents. Chahin added, "We are efficient and competitive, our assembly plants have the highest quality in the area, and we have the cheapest food staples. The only aspect we do not handle very well is bank interest rates because of the high legal cost."

Chahin noted that situations of this type jeopardize Honduras' benefits in the Generalized System of Preferences, under which over $100-million worth of products are exported annually to the United States.

Nicaragua

Foreign Ministry Issues Note on Mexican Incident

PA0901225694 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 6 Jan 94

[Press note issued the Nicaraguan Foreign Ministry; place and date not given—read by announcer]

[Text] Given the grave incidents in Chiapas, Mexico that have resulted in the deaths of more than 200 Mexican citizens, the destruction of property, and the provocation of instability in that zone, the Nicaraguan Government states that it deplores these acts of violence and expresses its hope that a lasting, peaceful solution will be achieved to allow a return to normalcy.

The Nicaraguan Government expresses its solidarity with Mexican President Carlos Salinas de Gortari and his efforts to find a peaceful solution to the situation within a legal framework.

The Nicaraguan Government reasserts its firm conviction that a dialogue held within a framework of respect for the law is the appropriate way to find peaceful and effective solutions to problems.

Army Reports Heavy Fighting in North 22 Dec-5 Jan

PA0701140894 Managua Radio Nicaragua Network in Spanish 1100 GMT 7 Jan 94

[From the "This Morning" newscast]

[Text] A large number of military activities have occurred in the northern part of the country between 22 December 1993 and 5 January 1994, according to the Nicaraguan Army's public relations office. Eleven clashes occurred between 22 December and 5 January, between irregular groups and the EPS [Sandinist People's Army], in the northern zone of the country. The irregulars have sustained 30 casualties—four dead, 10 injured, and 16 prisoners. All are members of different groups, both recontras and recompas. Two civilians were injured, two kidnapped, and nine killed during that time.

Former UNO Parties on Returning to National Assembly

PA1001020494 Managua LA PRENSA in Spanish 4 Jan 94 pp 1, 14

[Report by Roger Suarez]

[Text] The Conservative Popular Alliance (APC) of Dr. Miriam Arguello and the Nicaraguan Democratic Movement (MDN) have issued their respective communiques outlining their official positions on participation in the National Assembly and support for constitutional amendments. The APC's latest communique, which appeared today in a paid advertisement, stated that its deputies will fully join the Assembly sessions "to support any constitutional amendment bill that entails profound and substantial changes."

The MDN, APC, and UDC were expelled from the National Opposition Union [UNO] for failing to support the plan for a political movement to demand to hold elections for a constituent assembly. The MDN stated in a communique dated 30 December that "it is not possible to continue using the same strategy used in 1993,

and that active participation in the National Assembly is necessary to keep the electoral pledge it made to the people of Nicaragua."

"We regret that the partisan and personal interests of some parties within UNO wish to ignore the 1990 mandate of the people and call for the election of a constituent assembly to change the government, something that is not mentioned in any UNO document," the MDN indicated. The MDN feels that summoning a constituent assembly is not viable, "let alone changing the current government."

The APC, in turn, stated that the country's need to make substantial changes in its legal system prompted it to participate in the National Assembly. "It is essential that we approve laws to definitively settle all disputes that place obstacles in the path toward an adequate climate of confidence for investments, such as the solution to the ownership problem," the APC communique noted.

Another reason the conservatives headed by Miriam Arguello and Francisco Anzoategui gave for returning to the National Assembly was that the dispute that has lasted over a year in the Assembly prevented the approval of legitimate laws. In congressional circles, Arguello's appointment as chairwoman of the commission in charge of studying and issuing a report on the constitutional amendments is taken for granted.

The APC board of directors stated in its communique that it has decided to maintain relations with parties, institutions, and trade groups that wish to make a positive effort to find the path toward solving the nation's problems. The board members affirmed they will maintain the party's independence regarding their positions and decisions in line with their principles and programs.

The expulsion of the UDC, APC, and MDN from the UNO ranks and the announcement of marches in favor of the constituent assembly are creating internal friction in parties such as the PSD [Social Democratic Party]. During a meeting of the PSD National Executive Center [CEN] yesterday, there was a heated debate about the party's official position to support the summons to a constituent assembly.

The Social Democratic Women's Front today harshly criticized PSD Secretary General Alfredo Cesar, accusing him of taking the party to extremist stances. The social democratic women issued a communique asking that a general assembly be held to hold new general elections to replace or confirm the current CEN and to consider the PSD's participation or exclusion from UNO.

Politicians React to UNO Crisis

PA0701170894 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 6 Jan 94

[Report by Claudia Siria; from the "National Newscast;" passages within quotation marks are recorded]

[Text] Adolfo Jarquin Ortel, director of the Social Democratic Party [PSD], summoned the party's rank and file membership to elect new authorities, something that reflects the serious infighting within that organization. He warned that he will sue party President Guillermo Potoy for slander. Crises within the seven parties [of the National Opposition Union, UNO] worsened when National Conservative Party [PNC] member Edmundo Castillo decided to back the constitutional reforms. Tomorrow the party's directorate meets to change officers.

[Jarquin, in progress] "...we believe the time has come for us to take the party's leadership and not play into the hands of those who have personal interests at stake."

Adolfo Jarquin Ortel, who along with other UNO deputies will join the National Assembly on 10 January, was accused by the PSD president of having been bribed [canoneado] with thousands of dollars.

[Potoy] "Corruption has raised doubts about PSD operations."

[Jarquin] "I am considering taking legal action against Potoy."

Meanwhile, Alfredo Cesar said that those who favor a constituent assembly really seek to move elections ahead to next year.

[Cesar] "The moment the constituent assembly is elected [as heard] it will decide to leave or remove governments."

[Jarquin] "We disagree with them. This has been their idea. Everyone in this country knows that we voted for a president like Dona Violeta for her to complete her term through 1996. The international community supports Dona Violeta completing her Constitutional term...."

Jarquin accused Liberals and Conservatives of competing for a power take over through an early campaign. Meanwhile, the seven parties that favor a constituent assembly said they have funds to call for elections that would cost the country about $30 million.

[Deputy Frank Duarte, secretary of the National Assembly] "Engineer Cesar no doubt continues to deceive the Nicaraguan people by making them believe there is a fund to finance those elections. In the best of cases it would be financed by the National Assembly and we have heard nothing of the sort."

The crises also affected the PNC because Edmundo Castillo rebelled against the Constituent Assembly and said he will join the National Assembly. Dr. Castillo accused the UNO Political Council of being two-faced and acting with a double standard.

[Castillo] "Enough said about being two-faced and having double standards. We need to be at the assembly, we must defend the peoples' interests."

[Siria] "At one time your group also charged that the Center Group had been bribed. What will happen now that you also are accused of receiving bribes, will you also sue?"

[Castillo] "I believe that if someone dares to say this I will file criminal charges. Not only will I file criminal charges but I will respond like a man...."

Panama

March Marks 1964 Incidents; U.S. Soldier Burned in Effigy

PA0901232194 Panama City ACAN in Spanish 2107 GMT 9 Jan 94

[Excerpts] Panama City, 9 Jan (ACAN-EFE)—Various political, labor, and student organizations marched today in Panama City to commemorate the 30th anniversary of clashes with U.S. troops on 9 January 1964, when 23 Panamanians died and diplomatic relations were temporarily broken. [passage omitted]

A mass was held today at the San Juan Bosco Basilica to honor the "9 January Martyrs," and dozens of people later marched toward the U.S. Southern Command Headquarters on Ancon Hill beside the canal, where they burned an effigy dressed in a U.S. military uniform.

Approximately 200 persons marched along Central Avenue chanting anti-U.S. and antigovernment slogans while the Panamanian flag flew at half mast in the distance on Ancon Hill. [passage omitted]

The absence of representatives from Guillermo Endara's administration was quite evident in today's events.

Arnulfist Party Ends Negotiations With Government Alliance

PA0901044794 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Jan 94

[Communique issued by the Arnulfist Party in Panama City on 7 January—read by Alfredo Arias, head of the Arnulfist Party's negotiating team; from "RPC Television News"]

[Text] Good afternoon to all the news media and the Panamanian people who are listening to me. The following is a communique released by the Arnulfist Party [PA].

Over the past few months the democratic government alliance held talks for the purpose of nominating a presidential candidate who would give continuity to the government that emerged from the 7 May 1989 elections.

The PA, which has traditionally never been defeated in an election and which has a considerably larger membership than any of its ally parties, has an express mandate to head the presidential ticket that has been proclaimed by the National Directorate, the Consultative Board, and each of the provincial assemblies held by convention delegates across the length and breadth of the country, all of whom have patiently waited for their allies to reach a decision.

For the people's well-being and for the country's democratic future, with less time to process and present lists of candidates for all levels of popular election, heeding the demands of our fellow party members who want to begin their electoral campaigns with a view to the upcoming elections, and due to evident efforts to prolong the talks indefinitely, we have been forced to end the lengthy negotiation period.

The understanding is that the PA is now free to form new alliances with political parties that will join it for the current election campaign under the leadership of Mrs. Mireya Moscoso de Gruber.

Issued in Panama on the 7 January 1994. [applause]

Endara on Arnulfist's Decision

PA0901205994 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Jan 94

[Telephone interview with Panamanian President Guillermo Endara by Julio Miller, RPC general news director; place not given; from the "RPC Television News" newscast—live]

[Text] [Miller] I am on the telephone with the president of the Republic to get his reaction to the Arnulfist Party's [PA] decision to stop negotiating with its ally parties. Mr. President, what is your first reaction to this announcement by the PA leadership?

[Endara] I must say with regret that I will refrain from making any political statements due to the pledge I made to the Panamanian people at the National Theater in November, when I swore that I would remain impartial and would not involve the state and Presidency in political activities. Regarding my government, I must say that the PA's decision does not disband the government alliance; it means that it has been impossible to form an alliance for the 1994 elections. I know this will have certain consequences for the government, but I believe [words indistinct].

[Miller] Mr. President, along those same lines, what will happen with Molirena [Nationalist Liberal Republican Movement] ministers who are in your cabinet?

[Endara] I am not planning to ask any of my ministers to resign.

[Miller] This disruption of the talks leads to the assumption that the alliance has been broken off, however.

[Endara] The break is political and concerns the 1994 elections. This, unquestionably, might and very likely will affect my government, but my duty as president of

the Republic and of all Panamanians is to diminish as much as possible the effects of the schism.

[Miller] Don't you believe this situation will benefit other political candidates?

[Endara] That is a political comment, and I prefer to refrain from answering.

[Miller] How do you respond to the views expressed by certain government leaders that ethics dictate that Molirena cabinet ministers should resign and not wait for you to change them?

[Endara] I do not know who made that comment, but I would not ask any minister from Molirena or any other party to resign.

[Miller] Mr. President, what do you believe will happen from this point on?

[Endara] I will pray to God to help me during these difficult times—which they are, unquestionably—and to help me overcome any negative or harmful effects this situation may have on my government. I want this period to go down in history as a true model electoral period for future governments.

[Miller] Mr. President, are you not under the impression that too many political parties that are not the parties that formed the alliance which is now in power and was once a civic movement are aspiring to political power?

[Endara] I can understand, more or less, what is happening to these presidential hopefuls, because I went through a similar struggle; therefore, I cannot throw the first stone in that sense. I know that, at least in my opinion, service as president of the Republic is not something you seek because you like it. The exercise of power is, rather, a sacrifice on the people's behalf; therefore, I believe that altruistic and not private interests should prevail in these affairs. Within altruistic interests there can be differences. I understand this perfectly well, because I have experienced all of those things.

[Miller] A final question, Mr. President. Along those same lines, isn't it true that this schism favors the political party and the deposed military regime that the current government opposed?

[Endara] I would like to answer you, Julio, but I must abstain from doing so. I am very sorry, but I must not answer your question.

Argentina

UCR Releases Document Criticizing Government Economic Plan

PY0701121094 Buenos Aires CLARIN in Spanish 28 Dec 93 p 6

[Text] The Radicals [Radical Civic Union, UCR] have released a document, worked out during a meeting lasting five hours to review the crisis in the provinces, which says that the current economic plan "has tremendously aggravated the trend that leaves the poor increasingly behind" and which asks the government to implement changes to achieve growth with social progress.

The document was the climax of the UCR leadership plenum meeting presided over by Raul Alfonsin. The UCR president listened to some 20 reports on the crisis in regional economies, and said: "An economic policy cannot succeed if it does not take the people into account."

The Radicals stressed that the economic program of the Carlos Menem government "has tremendously aggravated the trend that leaves the poor increasingly behind," considering that "an irresponsible confidence in the spontaneous workings of the free market has turned the opening up into a experimental balancing act conducted without a net and without any training."

The document says that the Argentine opening up has been "a shock" without "any reconversion program designed to orient and support productive activities." The document also says that the decline in basic economic activities and the crisis affecting provincial public administrations, which was aggravated by the transfer of services, "has produced an unprecedented deterioration in the population's health, education, and public security."

The document, entitled "The Chain Breaks at Its Weakest Points," recalls, and not without irony, that the year that is ending should have been the year marking "the beginning of the payment of the social debts," in accordance with government announcements within the framework of the Social Plan launched with a lot of noise at the beginning of 1993. "Instead, violent demonstrations have been what called our attention to the situation in the provinces," the document points out, referring to Santiago del Estero and La Rioja social outbursts.

More than 20 UCR provincial presidents spoke during the meeting. They progressively painted a map of the situation in the provinces, each with different specific characteristics, but which together described a crisis in the regional economies.

The assessment made by most speeches put the blame for the social chaos in the provinces not only on the economic adjustment being sponsored by the national government, but also on Justicialist Party administrations, many of them installed in the provinces since 1983.

Salta Province leaders Jose Napoleon Gambetta and Osvaldo Camisar said in their report that the policies implemented between 1983 and 1991 by two Justicialist administrations "accentuated the deterioration of the public administration, leaving it in a virtual state of bankruptcy."

Rio Negro Governor Horacio Massaccesi—UCR first vice president—presented a detailed and harsh report. The governor mentioned the contributions that Justicialist governors received during the 1993 electoral year, and noted the careless way in which many of them, who now suffer ruinous treasury situations, spent public funds.

Alfonsin spoke at the end of the meeting to stress that the party will not only criticize government policies, but UCR representatives will soon visit government offices to present alternative proposals to the economic plan in order to face the crisis afflicting the regional economies.

Former Mendoza Governor Jose Octavio Bordon could not escape the wave of criticism. Fernando Armeniague, UCR provincial president, recalled that former UCR Governor Felipe Llaver handed over a clean and ordered administration to Bordon, who is currently a Justicialist senator, while in a short period of time Bordon put the Bank of Mendoza in the red.

The head of the La Rioja UCR branch, Roberto Nieto Brizuela, spent time talking about the careless way former Governor Carlos Menem spend public funds during his administration, an attitude that is in sharp contrast with the president's current attitude of "adjustment policy without anesthesia." Brizuela outlined the way La Rioja was administered in the past, which would partly explain its present state of bankrupcy.

Youth Union Created for April Electoral Campaigns

PY0801154894

[Editorial Report] Buenos Aires LA PRENSA in Spanish on 5 January publishes on page 4 of section 1 a 130-word article reporting the creation in Buenos Aires of the Union of Youths of the Center (Union de Juventudes de Centro) grouping youth leaders from the Autonomist, Democratic, Progressive Democratic, and Democratic Center Union parties. The main objective of this union is joint participation in the electoral campaign in preparation for the 10 April elections. The following youth leaders signed the document creating the Union of Youths of the Center: Pablo Cianciarullo, Roberto Nicieza, Adolfo Lopez Scala, Juan Curutchet, Hector Huici, Marcelo Godoy, Gustavo Forgione, and Martin Borelli. Other leaders who also signed the document were Alberto Suarez San Martin, Andrea Camano, Brian Schappira, Martin Mocellini, Felipe Crespo, and Fernando Amenedo.

New Under Secretary for State Intelligence Appointed

PY0801174694 Buenos Aires CLARIN in Spanish 5 Jan 94 p 5

[Article by Jorge Grecco]

[Excerpts] The long-standing friendship between Vice Admiral Juan Carlos Anchezar, retired, and the Anzorregui family [Hugo Anzorregui is SIDE's secretary], and his excellent personal relationship with Eduardo Bauza [secretary general of the presidency], were instrumental in catapulting him into the Secretariat for State Intelligence (SIDE) as Anzorregui's second-in- command.

The incumbent Interior Ministry under secretary for intelligence is Police Superintendent Jose Roberto Scopa, retired, who will leave on 1 February. [passage omitted]

"Well what do you think of that, Jorge?" was what Vice Adm. Anchezar said to the brother of SIDE's secretary, Jorge Anzorregui, when he was offered Scopa's post.

Jorge Anzorregui, a criminal lawyer who goes about the corridors of the courthouse invariably greeting whomsoever he comes across, has been a friend of Vice Adm. Anchezar for some years now. Anzorregui advised him to accept his bother's offer.

SIDE's secretary met with the vice admiral in Punta del Este on 3 January. There, after coming to an agreement, the admiral accepted the offer.

The road traveled by the members of Argentina's intelligence service community is well known to Vice Adm. Anchezar, a Navy pilot who failed by an inch to be appointed chief of the Joint General Staff when Italo Luder was defense minister at the beginning of the Menem administration. Having been outmaneuvered by Admiral Emilio Osses in this endeavor, Vice Adm. Anchezar retired. In any case, he was awarded a consolation prize—he was nominated director of State Shipyards and Naval Factories (AFNE).

Vice Adm. Anchezar had for several years held the post of deputy chief of the Navy Intelligence Department, located on the fifth floor of the Libertad building—the Navy General Staff headquarters.

Coast Guard Command Staff Members Listed

PY0801155094 Buenos Aires LA PRENSA in Spanish 5 Jan 94 Section 1 p 6

[Text] The National Coast Guard chief of staff, Prefect General Jorge Humberto Maggi, has joined the Argentine Naval Coast Guard top brass after the promotions to the top-ranking posts for officers of the institution were approved by the Executive Branch.

The new command is made up as follows:

- Deputy chief of staff: Prefect General Jorge Arnoldo Gantiluomo;
- Intelligence chief: Prefect General Carlos Justo Leyes;
- Navigation safety police director: Prefect General Fortunato Cesar Benasulin;
- Zonal Coast Guard chief: Prefect General Juan Marcos Redon;
- Security and law enforcement police chief: Prefect General Raul Celear Dimarco;
- Secretary general: Prefect General Juan Carlos Rinaldi;
- Administration director: Prefect General Ruben Roberto Astiasaran.

Bolivia

Business Confederation Discusses Economic Behavior

PY0901015894 La Paz PRESENCIA in Spanish 30 Dec 93 p 4

[Text] Bolivian economic growth in 1993 continued along the same lines as in the last four years—it was "modest" and "insufficient to meet the huge demands of the people." This is the opinion voiced on 29 December by the Bolivian Private Businessmen Confederation [CEPB] on the behavior of the economy during 1993. The CEPB pointed out that this year the Bolivian economy followed the same pattern as in previous years.

According to the document released to the press by CEPB Chairman Carlos del Chazal, the underlying reasons for this "modest" growth are the relative stability of prices, and above all, the social stability achieved on the basis of dialogue and consensus, especially with regard to relations between employers and employees.

The change of administration in August did not alter the economic policy, particularly the monetary policy. One may rightly venture to say that in the eyes of Bolivian businessmen, 1993 was a year without major jolts, in which problems and disssatisfactions were expressed by other sectors of Bolivian society.

The Damned Fiscal Deficit

One of CEPB's concerns was, for example, the steady and relentless increase in the fiscal deficit, which is estimated to reach 6.5 percent of the GDP by the end of the year. This was undoubtedly the largest deficit in four years, since it totaled 4.6 percent in 1992. The CEPB document stresses that the fiscal imbalance was real in spite of the significant and sustained increase in tax revenues. CEPB's most serious concern lies in the fact that the deficit is financed with foreign resources, by running into debt, the level of which cannot be sustained for much longer.

And yet, what is still more disturbing is that most of government spending is earmarked for current expenditures, thus curtailing resources and possibilities for public investments, both in the development of human

resources as well as in the upgrading of the productive infrastructure that would enable ending "bottlenecks that hinder private productive activities from achieving greater dynamism and development."

Policies and Indicators

The most salient aspect of the monetary policy furthered by the Bolivian Central Bank is the curbing of inflation to levels below 10 percent. The exchange rate behaved in a way comparable to the controlled inflation pattern.

According to the CEPB analysis, these factors contributed to the improvement of the real exchange rate for the exporting sector. The CEPB contends that "the increase in the country's international reserves constitutes another factor that provides stability in the short term."

Among the most significant events, the CEPB mentioned the passing of the new General Law on Banks and Financial Establishments, which will enable the establishment of new financial institutions to democratize credits and benefit vast business sectors, which will in turn be instrumental in creating new jobs and wealth.

These encouraging accomplishments made by the Bolivian economy contrast with some other negative and restrictive aspects, like the increasing prevalence of making transactions in U.S. dollars and high interest rates. The CEPB believes that "the cost of money, together with rules of the game that are not altogether clear, conspire against private investments, and therefore, against employment and economic growth."

The document released by Chazal cites preliminary estimates by the National Statistics Institute of a 3.2-percent GDP growth due to "opposing behaviors." On the one hand, the dynamism of agriculture and the mining industry, and on the other, the slump in sectors like the manufacturing industry and construction [sentence fragment as published].

With regard to foreign trade, the imbalance continues, so much so that it is estimated that the deficit of the 1993 trade balance will be as high as in the previous year, i.e. more than $500 million. The document states that "we meet our needs by resorting time and again to the rest of the world at the expense of domestic economic development."

The Bolivian businessmen's closing assessment of the economic year includes a review of the national economy's prospects and projections. The administration must first engage in modernizing the state by completing the great structural transformations and changes initiated. These transformations and changes must be completed with the constitutional reforms. These great reforms will redefine the state's role and will guarantee effective economic freedom and responsibilities for the entrepreneurial segment.

Entrepreneurs trust that the fiscal deficit will be reduced in 1994, that it will be controlled better, and that it will be financed with real resources.

This must be achieved without resorting to increased taxes, but rather by attempting to increase the number of taxpayers and reducing tax evasion. This will prevent the "crowding out" [preceding two words in English] phenomenon, "which prevents the private segment from making more effective contributions to investments." Within the framework of the expected modernization and without considering the removal of the powers of the state, the entrepreneurs propose the following:

—To transfer the large public enterprises, including the deregulation of the markets in which they are operating, thus eliminating the harmful public monopolies.

—To reform education, thus allowing our country to have—in the middle and long term—qualified human resources, the basis for any development process.

—To restructure the social security system in order to improve the standard of living of the workers through appropriate health and housing contributions—and to reform the retirement funds through an individual capitalization system, which will also contribute to financing substantial investments required to grow at a faster pace and democratize the ownership of capital.

The Bolivian entrepreneurs emphasize: "We will continue to contribute to improving the standard of living of the population through the production of wealth and the creation of jobs. This process will be more dynamic if the state establishes the conditions required to guarantee an increased flow of national and foreign investments."

Brazil

Franco Bans Retransmission of Correa's TV Interview

PY0701235394 Rio de Janeiro O GLOBO in Portuguese 7 Jan 94 p 4

[Text] Brasilia—The remarks made by Justice Minister Mauricio Correa in an interview with TV Manchete on a coup threat, which reportedly was hovering over the country by the end of last year, have caused irritation at Planalto Palace. President Itamar Franco has forbidden Radiobras [Brazilian Radio Broadcasting Company] from retransmitting the interview. The retransmission request was made by the justice minister himself because, according to him, in his remarks he categorically defended the president, even though he may have talked about the coup.

In a brief statement, President Franco said the minister himself is responsible for the remarks he made. Through acting presidential press adviser Fernando Costa, the president explained that he was informed about the interview by the justice minister himself, and declined to

comment on the statement's content. Correa said Franco had "incentives" to impose a coup, as done by Peruvian President Alberto Fujimori.

The Army's spokesman, General Gilberto Serra, said the military is not aware of the matter and Army Minister Zenildo de Lucena was surprised by those remarks.

Gen. Serra said: "We, the military, are democrats. We fight for democracy, regardless of the inconveniences it might cause."

Correa had difficulties explaining his remarks. He tried to minimize the interview's impact, saying that he only felt a climate in society favorable to a "Fujimorization of the country."

He added: "No one had made a proposal in this regard, but we knew it existed. People in society felt the desire to see a strong hand."

Correa's interview on television was clear, however. In response to a question on the possibility of a coup if Luis Inacio Lula da Silva was elected, he said:

"I want to say something extremely serious. President Franco, who has democratic training and a lofty public spirit, has gone through one of the times of greatest turbulence in the country. Last year, with the establishment of the CPI [Congressional Investigating Committee], low salaries, and the difficulties in administration, there were certain incentives toward this Fujimorization. I am certain that had the previous government that was ousted been in power instead of President Franco, what happened in Peru would have taken place in the country: The president would have become a Fujimori, a dictator."

Correa immediately answered the following question: "Would President Franco have the support of the people had he closed Congress?"

"I think so because the people's indignation is great and the people want to see immediate results and corruption eliminated."

Finance Minister Discusses Approval of Budget

PY0701205194 Rio de Janeiro O GLOBO in Portuguese 2 Jan 94 p 32

[Interview with Brazilian Finance Minister Fernando Henrique Cardoso by Luiz Noronha and Rodolfo Fernandes at Cardoso's apartment in Brasilia; date not given]

[Excerpts] Finance Minister Fernando Henrique Cardoso will return to Congress, at least during the month of January. He will practically move over there to personally promote the approval of the economic stabilization program by senators and deputies.

In an interview with O GLOBO, Cardoso says: On the day after the approval of a zero-deficit budget, we are going to create the URV [real value unit]. I am hoping to be able to do this by the end of January.

Cardoso is aware that in undertaking such a marathon effort he will have to have lunch and dinner more than twice a day and will have to attend dozens of meetings. But he is not concerned about this. Not even the recurrence of back pains provoked by an old hernia ailment—which, by doctor's orders, sometimes forces him to lie down—causes him to lose his good humor and enthusiasm. [passage omitted]

[O GLOBO] Congress will vote on the zero-deficit budget proposal, which is the pillar of the stabilization plan, at a time when a historic moralization campaign is being conducted within the Budget Committee. What effect could this have on the success of these measures?

[Cardoso] Had it not been for the crisis that erupted within the Budget Committee and for the CPI [Congressional Investigating Committee] that was subsequently created to investigate it, I would not have been able to revise the budget. Neither I nor the government would be able to make Congress discontinue its traditional habit of inflating the budget to the point of rendering the fight against inflation unfeasible. Had it not been for the crisis, we would have had no cards to play.

[O GLOBO] Who else is obstructing the plan in Congress?

[Cardoso] A group of deputies linked to municipal governments who believe the plan will be harmful to their municipalities. What motivates Congress more than the presidential succession, for example, is the election of each deputy. There is a group of municipalities, the poorest ones, that essentially depend on the Fund of Municipal Participation [in the national budget]. But we are negotiating it. One of the alternatives, suggested by Deputy Gonzaga Motta, is of liberating resources according to an idea inversely proportional to poverty. The poorer it is, the less resources it will hold in the fund. Another possibility: not touching the issue of municipalities to continue toward an alternative mechanism. What would it be? I suggested one: Today there is an income tax paid by public employees. That tax collected by the states should remain within the states; what is collected by the federal government will not be kept by the federal government but will be sent to the states and municipalities. It is just a matter of changing it. It represents approximately $1 billion.

[O GLOBO] And what is unnegotiable?

[Cardoso] Two things. The deficit must be zero. Today everyone already has adopted this idea. Point two: There is no way to end the mechanism of having a provisional fund within the Fund of Municipal Participation because the government would have no way of facing the essential issue, which is, for instance, that of paying for health, because it would have no funds earmarked for that. I must have 15 percent of the budget free in order

to meet those expenditures. That is unremovable. But only the municipalities have resisted this idea.

[O GLOBO] Then once the budget and the constitutional amendment creating the Social Emergency Fund are approved, will the government immediately create the URV?

[Cardoso] Ah, it will be created the next day. But first there must be a decision by Congress so I will be certain I have a balanced budget and I will not need to resort to the banking system to ask for money. I hope to be able to do it by the end of January. The URV's creation is a simple thing. What is difficult will be implementing it. I believe society already is expecting it. Everyone is anxious to see the URV. [passage omitted]

[O GLOBO] Does your position as a potential candidate for president of the Republic, which is taken independently from your will, upset the economic program?

[Cardoso] Here there is a paradox: To implement that plan I need a certain political leadership; but if you have that leadership people will automatically say you are a candidate. Then it does disturb. But at the same time it helps because people realize that I have a stable relationship with the president of the Republic, that I am capable of negotiating with Congress, that I do not run away from debate with anyone.

[O GLOBO] People want to hear a statement from you that you are not a candidate.

[Cardoso] It is not a matter of making a statement. I am not taking any personal steps for a candidacy, nor am I organizing an economic policy based on a candidacy. I have never accepted the condition of a candidate, not even within my party, the PSDB [Brazilian Social Democracy Party]. It is a rather hasty decision to believe that in Brazil someone who is finance minister can be a candidate for president. First, because the minister experiences great pressure. He must say no all the time, and this makes him very unpopular. There is also a public responsibility: Can I give up the ship now? I am not saying I will not be a candidate because I can be a candidate for senator. My political rights already have been lifted once; I do not wish it a second time. There is no sense in someone keeping me away from the political game. [passage omitted]

Chile

Former Presidential Candidate Supports Mexican Uprising

PY0701173894 Madrid EFE in Spanish 1505 GMT 7 Jan 94

[Text] Santiago, 7 Jan (EFE)—Former Chilean presidential candidate Manfred Max Neef said today that the Mexican Indian uprising in Chiapas is "fully legitimate." The former environmentalist candidate, who obtained 5.6 percent of the votes in the elections of 11 December, charged that the chiefs of state of the continent react with "hypocrisy" to the problems of their indigenous populations.

"They praise indigenous liberators, but harm indigenous territories by establishing multinational enterprises," Max Neef said.

According to him, the southeastern Mexican state of Chiapas is in an overexploited region of extreme poverty, which has been permanently ignored.

He added that this type of uprising occurs in the continent as a consequence of a system that does not take into account the demands and historical rights of indigenous peoples.

Meanwhile, a delegation of the Mapuche "All Lands Council" movement met 6 January with Mexican Ambassador to Chile Jorge Eduardo Navarrete, and asked him to request "an immediate, unilateral cease-fire by the Mexican Government" from President Carlos Salinas de Gortari.

Dagoberto Cachana, coordinator for the Chilean indigenous organization, said that a cease-fire on the part of the Armed Forces "will facilitate a negotiations process."

Canadian Minister Visits, Comments on Trade

PY0701235894 Santiago Radio Cooperativa Network in Spanish 2200 GMT 7 Jan 94

[Text] Canadian Foreign Trade Minister (Roy MacLaren) said that, for Canada, Chile is first on the list of countries wishing to join NAFTA. The official held a joint news conference with Finance Minister Alejandro Foxley within the framework of his official visit to the country, which ended on 6 January and during which he reviewed the present status of Chilean-Canadian economic and trade relations.

Regarding the importance for smaller economies to associate themselves with the United States, Minister (MacLaren) said his party, the Liberal Party, had been in the opposition until last year and was a critical opponent of an agreement with the United States because it was involved in unfair practices and maintained subsidies. This situation was partly solved thanks to NAFTA and GATT, the minister said.

Foxley and (MacLaren) outlined the growing Canadian investment in Chile, which reached $4 billion, stressing that it will continue to grow this year through the association contract between Codelco [Copper Corporation] Chile and a consortium that includes the Canadian firm (Luck Minerals) to exploit the Laura field.

The minister on 6 January participated in a meeting with government authorities and Eduardo Aninat and Carlos

Figueroa, [finance and foreign ministers-designate, respectively] two of President-elect Eduardo Frei's cabinet members.

* Villarzu Interviewed on Economic Philosophy

94SM0150A Santiago EL MERCURIO in Spanish 28 Nov 93 pp D2-D3

[Interview with Juan Villarzu, economic adviser to President-elect Eduardo Frei, by Raquel Correa; place and date not given—first four paragraphs are author's introduction]

[Text] Although he does not yet have Carabinero [National Police] guards at the door of his house in Vitacura, he certainly has the look of a cabinet minister, which he cannot hide. It is an "open secret" that if Eduardo Frei is elected president, Juan Villarzu will be his minister of finance.

He feels uncomfortable about this "assumption." However, as the man in charge of the economic program of the Concertacion coalition, he was willing to answer our questions. He emphasized: "There has been no discussion about who will head which ministry. Eduardo has been very clear about that. First, we have to win the election."

Villarzu Rohde is 49 years old and is married to Maria Olivia Avalos. They have three children of their own, in addition to two children from her first marriage, and one granddaughter. He is of Basque and German descent. He thinks that the German blood which he inherited from his mother, "a German woman born in Germany," is the predominant force in his character.

He was practically an only child. (His sister died at an early age.) He was educated in the rigorous program at the Colegio Aleman [German College]. Hence his sense of discipline and the demands he makes on himself. He has a calm and methodical outlook.

[Correa] Are you hard or soft?

[Villarzu] Neither hard nor soft. I am rather firm in my convictions.

[Correa] Are you more a politician or more an economist?

[Villarzu] "I find that I am more of an economist, although many people say no." (He laughs discreetly.) "I feel more comfortable as an economist." Having had broad, executive experience, he is recognized as having "good leadership qualities and the ability to direct groups." He is reflective, "although also rather intuitive." He says that he believes very much in what he would call "guts"—"what makes me feel things. I tend to concentrate on the major arguments for or against something."

[Correa] And when you have made a decision, are you able to change your mind?

[Villarzu] "I am capable of thinking things over. However, frankly, I am a little stubborn."

On economic matters in general he says: "I am a great believer in competition as a very central element in the functioning of the economy. I believe in efforts to improve the way markets operate. The only way for Chile to achieve stable development over the medium term of years is in an economic structure which is increasingly more open to the world."

[Correa] More open than it already is?

[Villarzu] In the sense of the view over the long term, I have no doubt about it. That means making greater efforts at integration with Latin America.

[Correa] Does that mean giving priority to economic treaties with the Third World?

[Villarzu] Our natural habitat is Latin America. I am not among those who believe in saying, "Goodbye, Latin America."

[Correa] Would you rather be on the side of the losers?

[Villarzu] "No. I believe that, over the long term, Latin America will be among the winners. Argentina and Bolivia are going in that direction. In general, so is the rest of Latin America. I also believe that we can make much more progress in opening up the Chilean economy from the financial point of view."

The other principle in which he firmly believes—although he refuses to consider himself an "original thinker" in this regard—is stability.

He said: "I believe very strongly in the need to continue reducing inflation."

[Correa] When do you hope to reach single digit inflation?

[Villarzu] "In 1997."

In his economic credo there is also the view, "that the people can build their own future with their own resources. This is the idea of investment in people." "I am convinced that a mixture of adequate, macroeconomic policies, including opening up the economy and investing in the people, is the recipe for success. If you add political and social stability to that, you have all of the ingredients to turn us into an economic tiger some day."

He explains meticulously, "When I talk about an open economy, I am talking about a market economy where the principal, productive element is the private sector, in its different forms."

[Correa] Did you learn that at the University of Chicago?"

[Villarzu] I have always thought that. This is the Christian Democratic view of things.

[Correa] Did you support the establishment of "a communitarian society?"

[Villarzu] The concept of a communitarian society traditionally accepted the idea that private parties were essentially private. However, then we gave priority to the idea of companies owned by the workers, and in these the state has always played a subsidiary role. The social doctrine of the [Catholic] Church was the first to introduce into Chile the idea of a subordinate role for the state. Then the Christian Democratic movement incorporated this idea into its view of economic development.

[Correa] Are you getting ready to use the stairways to climb the 12 floors of the Ministry of Finance?

[Villarzu] He laughed openly and said: "I do not think that I could. I am a half frustrated sportsman. I always try to engage in sports. What I do more regularly is play tennis."

He is a good skier and has tried to play golf. He said: "Chess interests me very much and especially bridge." He makes a practice of riding his bike through his neighborhood. However, he is not very determined about sports. He said: "The only consistent thing is that I always try to engage in some kind of physical activity."

His favorite weekends are spent at his home in Zapallar, "which we visit as often as possible."

He is devoted to reading, from technical books—including books on economic theory—to the poetry of Garcia Lorca. He misses his university offices (He was chairman of the Departments of Economics at the University of Chile and the Catholic University of Chile). Over the past few months he has spent all of his time on the economic program of the Concertacion coalition.

He is rather reserved. He prefers to spend his time in the company of friends and hates gambling. He likes to dance and says that he is "good at rock and roll dancing." On his list of "things to learn" he said that he has included the tango. When he talks about "salsa" music, the methodical, serious, and inhibited man that he seems to be disappears completely. He is also devoted to jazz and classical music. His favorite composer is Mozart.

He is a successful businessman and international consultant. He believes that, "My heart is more inclined toward economics. From my involvement in economics I have had close contact with the business world but, in fact, I have given up being a businessman. However, although I have done rather well, to tell you the truth, this is not what has given me the most satisfaction. I feel much more comfortable in activity connected to the public service and the government."

[Correa] Would you feel very disappointed if Frei were elected and he did not offer you the Ministry of Finance?

[Villarzu] This economist, who was born in Arica and is a graduate of the University of Chicago, spoke very seriously and was in perfect control of himself when he replied:

"No. Frankly, I would like to be a part of the next government, but that does not mean doing so in any particular ministry. I believe that I am in a position to make a contribution in different areas and as a function of what the president considers appropriate. I believe that if Frei is elected, he will set his stamp on the government."

[Correa] And what is the "Frei stamp"?

[Villarzu] Senator Frei gives priority to teamwork. He gives a great deal of freedom to those who work with him so that they can fully develop their potential. He listens a great deal and makes decisions with a great sense of timeliness. It is very difficult to force him to make decisions.

[Correa] Are you an unusual "Chicago boy"?

[Villarzu] "Chicago boys" here are known as those who received an undergraduate degree at the Catholic University of Chile. But some of us also went to the University of Chile—Carlos Massad, Andres Sanfuentes, and Roberto Zahler. In general, their view of the role of the economy and of national development is rather different from the view of those considered to be "Chicago boys."

[Correa] But the recipe which you brought back to an economically prostrate Chile was the most "Chicago style" of all.

[Villarzu] There are elements—such as stability, an open economy, opening up the economy to the world, and competition—which are considered of very central importance at the School of Economics of the University of Chicago. Even on the subject of investment the people at the University of Chicago were pioneers. This is the neoclassical view of the economy. However, you have to keep in mind that Jorge Cauas, who was a key figure in formulating the economic policy of the Military Government, was not of the Chicago school.

[Correa] Which economist should go down in history as the leader of that process?

[Villarzu] "There were different phases. Cauas played a much more important role during a very critical period at the beginning of the Military Government." During that phase Villarzu himself was director of the budget. "The opening up of the economy began in a real way in 1975 when Jorge Cauas was minister of finance. He had a great deal of support from De Castro. If I had to list the most important names, I would mention Cauas, De Castro, and Miguel Kast, three men who were of the greatest importance in the formulation of what was called 'the model.'"

[Correa] He was more important than Buchi?

[Villarzu] Buchi was important because during the 1982-1983 crisis the "model" was almost completely abandoned. He returned to the central line of the economic policies begun in 1974. He succeeded in reestablishing credibility and in redirecting the economy. He deserves a great deal of credit for that.

[Correa] What was "the great achievement" of Foxley?

[Villarzu] He succeeded in giving form to the model of growth with equity which brought in more important elements of macroeconomic leadership, adding to it, and with great determination, the component of social justice. The neoliberal view of Buchi gave priority to growth as the central, controlling element of the strategy of development, fundamentally supported by the activity of the private sector and minimizing state activity to the maximum extent. And the people profited because the benefits of that growth sooner or later went to them.

[Correa] And is that not correct? Can there be development without growth?

[Villarzu] The fact is that in a society like that of Chile, where great social differences coexist, side by side, it must be assumed that a third party—the Armed Forces or an authoritarian government—will guarantee political, economic, and social stability. In a free society it is very difficult for an economy to move forward quickly in coexistence with economic sectors living in extreme poverty. The "Buchi model" presupposed that social conflict will be regulated in another way.

[Correa] Does this mean that Buchi would not have been successful in a democracy?

[Villarzu] Exactly. A refusal to raise pensions to allow for inflation and adjusting the economy by decreasing spending on health, education, and infrastructure would have generated such tension that it would have been impossible to succeed in maintaining growth. In a free society long term growth is maintained in a framework of political and social stability. That presupposes that all Chileans clearly perceive that the benefits of the efforts made are distributed equitably.

[Correa] But that is not the situation today.

[Villarzu] We have made significant progress. And that is the fundamental difference between the "Buchi model" and the "Foxley model." The economy has grown at an average of 6.3 percent over the past four years. This is practically the same as during the last five years of the Military Government, when the figure was 6.4 percent. Simultaneously, inflation has declined from about 30 percent annually, which is what we had at the end of 1989, to about 12 or 12.5 percent in 1993. The external position of the country is much more solid, so solid that it will make it possible for us to resolve our international crisis without any difficulty.

[Correa] But the economy is shrinking, and it is expected that 1994 will be "a discouraging year."

[Villarzu] I do not think so. Investment, which is what makes it possible to maintain long-term growth, has been extraordinarily high in the private sector. The coefficient of investment—the proportion between investment and Gross Domestic Product—will exceed 27 percent. During this election year, when investment normally tends to stop, private investment will grow between 15 and 20 percent in real terms. During the administration of President Aylwin the economy has performed better than it did during the best years of the Military Government, the period from 1985 to 1989. And, simultaneously, notable progress has been made on social matters, such as reducing the number of the poor to about 1.3 million. Among the poor about 800,000 are destitute. Between 1985 and 1989 minimum salaries fell by 2.7 percent in real terms. During 1993 they will grow by about 10 percent, on the average. The rate of unemployment has declined to a substantial extent.

[Correa] The average growth rate of 6.4 percent during the period in office of the present administration will decline to 4.0 or 5.0 percent. Some people say that it will decline even more.

[Villarzu] During the present administration the economy grew at an average rate of 6.3 percent, despite the fact that in 1990 it grew by only 3.0 percent, as a result of the restrictive measures taken to slow down too rapid an expansion of the economy, in part caused by the expansionist policy followed by the previous administration for what were, I believe, electoral purposes. That situation made it necessary to cool off the economy.

[Correa] And what will the next administration inherit from the present one? [Villarzu] Starting in 1993, the Chilean economy began to feel the full force of the international situation—a recession in Europe and stagnation in the United States and Japan. That process began at the end of 1990, and the greatest impact was felt in the United States in 1991, the only year in which the North American economy recorded a net decline. That situation will have less of an impact in Chile in 1993 than in the past because we have diversified our export base.

And now a third of our exports are going to other countries in the Americas; a third of our exports are going to Asia and the Pacific; and a third of our exports are going to Europe and the Middle East. As the impact of the international deterioration has not been the same everywhere, that has also made it possible for us to deal with it more effectively. We are feeling the impact of the recession now because, in addition to the decline in demand, the prices of some of our key export products have fallen. This effect will be with us during part of 1994.

[Correa] Will it be stronger than it was in 1993?

[Villarzu] No. It is difficult to see how prices—such as that for copper—could deteriorate more than they have up to this point. The average price will be lower than it was in 1993 but not lower than it is today. I would say

that the worst period of the international recession is already over. We are feeling its impact, which will continue with us for some time and then will change as the world economy becomes more active. Already there are clear signs of recovery in the external economy. For example, it is expected that in 1993 the United States will have a minimum growth rate of 2.7 percent. Some people are talking about a figure closer to 3.0 percent in 1994. In Europe, where the most complicated case is Germany, it is estimated that in 1993 there will be a decline of between 2.0 and 2.5 percent in Gross Domestic Product. However, virtually all of the analysts are talking about a recovery in the German economy in 1994. That is a situation reflected in all of the economies of the world. The recovery will be slow, and we will feel its effects toward the end of 1994 or the beginning of 1995. There be a year of slower growth in 1994 than 1993. The year 1993 was not a "bad year" for an economy which grows at that level, when the world economy has grown by an average of about 2.0 percent.

[Correa] Is there no danger of a new adjustment?

[Villarzu] No. The adjustment has been taking place only gradually. When an economy like that of Chile—which exports 35 percent of its Gross Domestic Product—encounters weak, external demand, there is less domestic activity. That is what is happening.

[Correa] If you were minister of finance, would you favor expanding or diminishing the role of the state?

[Villarzu] I am for strengthening the state. Not enlarging it but giving it the necessary tools to transform itself by articulating the process of development and the common efforts being made by employers, workers, and society.

[Correa] You have said that you are in favor of privatizing "everything that can be privatized." Where would you begin?

[Villarzu] I would begin with companies which are not private monopolies and which are engaged in open activities.

[Correa] Would you privatize CODELCO [Chilean Copper Corporation] under any circumstances?

[Villarzu] Under no circumstances. Candidate Alessandri used to say that he would privatize CODELCO, but later he changed his mind. CODELCO is a strategic enterprise. It must be made into an efficient one. That is the most profitable kind of company that we could have.

[Correa] Chile has assets worth billions of dollars which bring in an average return of 3.0 percent. Without CODELCO that return would decline to 0.5 percent. Do you not consider that sufficient proof of inefficiency?

[Villarzu] No. Among that group of state-owned companies is ENACAR [National Coal Enterprise], which loses a lot of money. The company is engaged in a process of rationalization and reconversion. State companies should be in a position to operate as if they were private companies. Therefore, we are preparing a draft Statute of Public Enterprises. We must insist that they be as efficient and open in their operations as if they were private corporations.

[Correa] Regarding the program for modernizing CODELCO, are you prepared to reduce employment by 4,000, since, according to some studies, these workers are no longer needed by the company?

[Villarzu] We are prepared to do so gradually, in agreement with the workers.

[Correa] Do you support a free-floating rate of exchange?

[Villarzu] I am not so much a supporter of a free-floating exchange rate as I am in favor of moving forward by eliminating a series of foreign exchange restrictions now in effect which, in view of the world situation and the level of development of the Chilean market, are no longer justified.

[Correa] Which of the laws pending approval by Congress are the most urgent?

[Villarzu] The law on the capital market and the banking law are of vital importance. I hope that they will be approved by Congress before March 1994.

[Correa] Do you share the concern felt by Minister of Finance Foxley about a free trade treaty with the United States?

[Villarzu] The Bush administration and the present North American administration have expressed interest in entering into this kind of treaty with Chile. Conditions already exist for that kind of initiative to go well. We will have to begin negotiations on that treaty at some point in 1994. Foxley is ending his term of office, leaving that loaf of bread, as it were, ready to go into the oven. However, like Alejandro Foxley, I think that this is a matter which will have to be handled with a great deal of patience. Negotiations with the United States will be difficult. An eventual TLC [Free Trade Treaty] with the United States would have advantages for Chile. However, during the process of negotiations we should keep very clearly in mind which are our own interests over the medium term of years and which are the interests of the United States. And we must consider our real possibilities, particularly with regard to the sectors of our economy which would be affected, positively or negatively, by that treaty. We have to consider the treaty calmly. This does not mean that we will not complete the negotiations as quickly as possible. Rather, we will do so, but very prudently.

[Correa] You said that public spending should be reduced, and your views have been considered to be clear criticism of Minister of Finance Foxley.

[Villarzu] No. What I said is that to ensure macroeconomic stability over the medium term, it is important for public spending not to grow more than the potential capacity of the economy.

[Correa] But it happens that public spending has been growing more quickly.

[Villarzu] Not on a cash basis.

[Correa] How can you say that? During the past three years public spending has grown more than Gross Domestic Product.

[Villarzu] That happened in 1991 and 1992 and will probably happen also in 1993. However, on the average, over the past four years, it has not grown that much. When the present administration entered office, it clearly pointed out that it had to deal with a tremendous need to make up shortcomings in spending, inherited from the previous government, in the areas of health, education, infrastructure, and housing. And to do this, it reached agreement with RN [the National Renovation party] to raise taxes to finance an increase in spending. That was a campaign promise regarding its program, and it was then supported by a great consensus in the country.

[Correa] If you should become responsible for state finances, in what areas would you reduce spending?

[Villarzu] The team which has been working on the government program thinks that it is not a matter of reducing spending. That is the first mistake which must be clarified.

[Correa] Then the program involves increasing spending?

[Villarzu] There will be slower growth in spending because, in effect, it will not be possible to continue the pace of growth of spending recorded in the years 1991 and 1992. Among other things, this is because we will not have new tax reform legislation to deal with.

[Correa] However, in the view of public opinion it does not appear that this more substantial level of spending has been translated into social improvement, particularly in the field of health, where spending has more than doubled.

[Villarzu] In 1989, $564 million were spent on health. In the budget for 1994 we are talking about expenditures in the vicinity of $1.2 billion. It is the same thing with education. We have to have a little patience about this. A major effort has been made to improve pensions, raise minimum salaries, improve the jobs picture, and increase spending on school lunches. This has been an effort which will bear fruit over the next few years.

[Correa] Do you not believe that what should be done is to change the structure of the health system? That is, subsidizing demand instead of subsidizing supply?

[Villarzu] I believe that what is being spent on health in Chile is considerable. However, in effect, we have not yet resolved the problems of providing health care. The overall health indicators—infant mortality, life expectancy, etc.—show spectacularly good results, approaching those of a developed country. Our problem is the inadequate attention which we are paying, particularly to the poorest element in the country. That is a fundamental concern of the present and the next administration. It is not a matter of increasing resources now but rather using them more efficiently. It is a problem of management. To do that, we plan to move forward in a decisive way to decentralize the health system. Here we have to make very fundamental changes, but the idea of subsidizing demand instead of the supply of health services has turned out to be a failure throughout the world. It has increased the cost of providing health services in an impressive way. We can move forward in a way which will guarantee greater freedom of choice to the users of health services. However, we are absolutely against the simplistic formula of subsidizing the demand for health services which the right-wing candidacies of Alessandri and Pinera are proposing!

[Correa] You have not said where you would reduce public spending.

[Villarzu] There is rather little room for maneuver in reducing the budget. The most probable outcome is that we will have to achieve generalized savings in spending which would not affect salaries and allowances and, as far as possible, would not affect spending with a social impact. We may be able to lower spending on the purchase of goods and services and on some investment programs, by reducing the rate of project implementation.

[Correa] You have proposed replacing the complementary, overall tax with a tax on private spending.

[Villarzu] "In our program we point out that it would be appropriate, while respecting our commitment not to increase the tax burden, to change the tax system to make it into a more effective instrument to encourage savings, both by individuals as well as by companies. We are exploring the idea of a tax on spending which, theoretically, looks very attractive. However, it has proved to be very difficult to implement. It could stimulate tax evasion and a fall in tax collections. Rather than replacing the complementary, overall tax with a tax on general spending, we are thinking of some specific taxes."

And he added: "It is said that the public sector should spend less, which would make it possible for the Central Bank to lower the interest rate, because the increase in private spending which would occur in that case would be compensated for by less public spending. We have pointed out that, in effect, we could try to ensure that public spending would grow less and, since it is necessary for aggregate spending by the economy (total public

spending plus private spending) to grow less, private spending would also have to grow less."

[Correa] To do this, would taxes go up?

[Villarzu] If we want to lower interest rates, the only way to do this would be by imposing a specific tax. For example, a tax on gasoline. It could also be done by increasing the VAT [Value Added Tax], but I do not like that kind of solution, since it has another kind of impact.

The fact is that what is collected under such a tax, which would be approved in the law, would involve an advance payment to the Central Bank. In that way the Central Bank would be in a position to lower the interest rate, which would be advantageous to the private sector and, in particular, to exporters.

[Correa] Increasing taxes?

[Villarzu] No. Our basic commitment is to maintain the present tax load. However, this transitional instrument could be necessary. A specific tax would favor the productive sectors of the country and will not be enacted if there is not a sufficient consensus in support of it.

[Correa] Will you be as tough as Buchi or as Foxley in not increasing expenditures in response to pressures from various sectors?

[Villarzu] I do not like to use the term "tough," but I can be tough when I have to be.

Colombia

Naval Commander Confirms U.S. Troops in Meta Department

PA0801014594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Jan 94

[From the "24 Hours" newscast]

[Text] The Colombian Navy today confirmed the presence of more U.S. Marines in Colombia. General Octavio Gnecco, commander of naval infantry [as heard], said that in December U.S. military personnel not only arrived at Malaga Bay in Valle del Cauca Department, but also some 30 others arrived in Puerto Lopez, Meta Department.

[Begin recording] [Reporter Alvaro Ayala] With the arrival of U.S. military personnel at Malaga Bay on 29 December, it became evident that U.S. troops are present in several regions of Colombia. According to the two governments, their presence has a humanitarian objective. The naval infantry commander said that a group of U.S. military personnel has been in Puerto Lopez, Meta Department, for several months, carrying out engineering projects. Nevertheless, he said he does not know why the public was not given an explanation about the presence of foreign troops there.

[Gnecco, in progress] ...of the U.S. Navy who are helping us build a river outpost. This work will conclude in February, and they will be returning to their bases.

[Ayala] How many are there?

[Gnecco] Approximately 30 men arrived in December.

[Ayala] But Uncle Sam's troops are not only in Juanchaco, Ladrilleros, Malaga Bay, and Puerto Lopez. The National Indian Organization has charged that Monochoa in Caqueta, Barrancon in Guaviare, and Leticia in Amazonas also have a foreign military presence.

Regarding Colonel Rodrigo Quinonez, who has been accused by a Navy noncommissioned officer of being the leader of a gang of paid assassins to eliminate union leaders of Barrancabermeja, Gnecco said that one must wait for the results of the investigations. Col. Quinonez, who is being investigated, is currently the Navy intelligence chief headquartered here at the Defense Ministry. [end recording]

Survey Reveals Public Opposition

PA0701132194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 7 Jan 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Government explanations notwithstanding, Colombians feel the presence of U.S. soldiers in Colombia is not good. This was seen in answers to Caracol's "Topic of the Day" question: 33.8 percent of those surveyed said it violates national sovereignty; 23.4 percent said Colombia has people to build a school or a health center, which are the projects the soldiers will work on; 18 percent felt the U.S. military presence is an indication that these soldiers might invade the country; 14.3 percent felt the goal is to install radar stations; and 10.4 percent stated the government must fully explain the U.S. military presence in the country.

'Real Mission' Questioned

PA0801023394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Jan 94

[Report by Miriam Ortiz from the "24 Hours" newscast]

[Text] The presence of U.S. soldiers in Colombia is relatively new. Although it is known that they are posted throughout the country, their real mission here is not clear. It has been said that they are here to carry out civic work, but other sources insist they are participating in counternarcotics operations.

Several contingents of U.S. soldiers have arrived in Colombia to participate in the so-called cooperation plan in the struggle against drug trafficking. Several soldiers traveled to Leticia in the Amazon Region to install radar to control clandestine flights in the southern part of the country. That decision generated an extensive

debate in Congress. Leticia residents protested, saying that heavily armed soldiers had occupied the streets.

A group of U.S. soldiers also arrived on San Andres Island to install a radar to control aircraft coming from the United States. Approximately 50 persons from the U.S. Navy, known as SeaBees, arrived to build a base equipped with several patrol boats on the banks of the Guaviare River. A similar mission is being conducted in the Puerto Lopez area, Meta Department. Soldiers from Ft. Rucker, Alabama, are stationed at Malaga Bay.

According to authorities from both countries, the troops arrived in Valle del Cauca to build a school and a clinic and to repair several roads in Juanchaco. The arrival of troops and their equipment in helicopters and warships has made residents of those areas skeptical; some believe they came with a different objective.

A total of six U.S. bases have been built throughout the country.

Citizens Reject, Support Presence

PA0901034094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 9 Jan 94

[Report by Magnolia Ruiz from the "TV Today" newscast]

[Text] Attention, we have a last minute report. Today in Juanchaco on the Pacific Coast, one of the gringo Marines who arrived to build a little school said in a statement for the "TV Today" newscast that this territory in Malaga Bay belongs to them; in other words, that it is U.S. territory.

The 150 U.S. Southern Command soldiers are supposedly here to build a little school and a health center. Today, whatever the reason for their arrival, it is not the most important issue. Now the presence of the gringos has prompted various serious opinions that have divided island residents. Some strongly reject it, while others believe they should be given the opportunity to show their generous, unselfish intentions so people can trust them. Still others defend them by saying that at last good luck has come to Juanchaco to bring progress to the island.

[Begin recording] [Ruiz] Are you happy with the arrival of the gringo soldiers?

[Unidentified woman] Yes, I am happy, because they are here to help the people.

[Ruiz] How do they treat you?

[Woman] Very well. [end recording]

While area residents are trying to decide their position and focus on the benefits the gringos will bring for the children in education and health, the U.S. Marines know very well what they are doing. As sure of themselves as Peter in his own house, they transported a large amount of material by trucks down bumpy Juanchaco roads and began working.

In addition, today they decided that they definitely need an area in Colombian territory that belongs to them. The only requirement that could be added to the existing restrictions upon entering that territory would be asking Colombians to show a passport in their own country.

[Begin unidentified Colombian soldier recording] The area over there is not ours, it is their camp [words indistinct]. [end recording]

This spot where a Colombian Infantry marine is posted marks the limits between Colombia and U.S. territory that have been traced, limiting access to the media.

Naval Infantry Commander Comments

PA0901205494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1806 GMT 9 Jan 94

[Report by Diego H. Canal from the "NTC News" newscast]

[Text] Among the gringo workers who arrived at Juanchaco, there are professors whose speciality is not included in the education program of the small school they are building. The U.S. troops did not come to Colombia only to build civilian facilities; they have also gone into areas of conflict to conduct military training.

[Begin General Octavio Gnecco, Naval Infantry commander, recording] They have sent several U.S. Marines as temporary instructors, especially in river combat techniques. [end recording]

Several training exercises have already been held at a base called Barranco, located in Guaviare. The foreign military personnel, together with several engineers, have arrived with their weapons in the area. Just as in the Malaga Bay and Puerto Lopez areas, the military have been sent by the United States to help the Colombian Navy build several facilities.

[Begin recording] [Unidentified reporter] Have those instructors also given antiguerrilla courses in Colombia?

[Gnecco] Yes, on several occasions. Based on a U.S. Army offer, we held a one-month training course for our troops in San Jose del Guaviare. [end recording]

This type of military training has also been given in Puerto Legizamo and, according to the Colombian Navy, is also part of the cooperation agreement with the United States. What we do not know is, as is happening in other parts of Colombia, military advisers are also arriving, and not as professors of the school they are going to build in the Malaga Bay area.

Military To Investigate Intelligence Network's Crimes

PA0701182094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Jan 94

[Report by Javier Dario Restrepo from the "24 Hours" newscast]

[Text] The Army's general command reported this afternoon that the crimes attributed to the corps' intelligence network are being investigated by the Prosecutor General's Office, the military authorities, and the inspectors general of the Armed Forces and the Navy. Preliminary information has been reported by LA PRENSA. This is the story:

Journalists who attended the funeral of Ismael Jaimes, LA OPINION editor in chief in Barrancabermeja, thought they knew who the assassins were. Today they have learned the truth—a Navy intelligence network led by Colonel Rodrigo Quinonez became a gang of killers.

Two of the Navy members who were part of that intelligence network turned over to the Prosecutor General's Office and the Attorney General's Office testimonies and evidence on approximately 100 assassinations that were planned and carried out like routine business. This can be heard during a taped conversation regarding the identification and death of an informer.

[Begin recording] [First unidentified speaker] That is how it will be done.

[Second unidentified speaker] That is the least important thing because if an appointment is made, meaning he is told he must go to a certain place on a certain date.... [pauses] all we have to do is leave a message [words indistinct]. He can be called and an appointment can be made for two days later, or something like that. The young man will go and he will be told to be alert because a man—whose description he will be given—will arrive. Juan Carlos knows him.

[First speaker] How can [words indistinct]?

[Second speaker] We can call him from here. [end recording]

The document published by LA PRENSA again reviews the fact that military members have been corrupted by the war and have become assassins.

[Begin journalist Gonzalo Guillen recording] I believe it is one of the most monstrous things that have happened in this country. It is one of the most atrocious crimes because the state is assassinating the people. [end recording]

Government To Assist Mexico With Electric Towers

PA0801200494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 8 Jan 94

[From the "NTC News" newscast]

[Text] Manuel Camacho Solis, Mexican foreign secretary, will arrive in Colombia within hours to request emergency towers for an electric interconnection to the electric company in Santa Fe de Bogota. Both Mayor Jaime Castro and the national government have stated their willingness to help Mexico.

Colombia will lend the Mexican Government 25 electric towers to cooperate in the crisis in that country, given the partial destruction of its electric infrastructure by Zapatista guerrilla forces.

[Begin Energy Minister Guido Nule recording] We began immediately the process yesterday, and it should be complete by now, so we can send them in an airplane that will be directly sent from Mexico by them; in other words, those towers should be in Mexico this very day. [end recording]

Mayor Jaime Castro announced that municipal authorities will also join the international cooperation efforts.

[Begin Castro recording] It is an act of solidarity from Santa Fe de Bogota to the Mexican people. [end recording]

Mexican Foreign Minister Manuel Camacho Solis will arrive in Santa Fe de Bogota within hours to receive the Colombian aid and personally supervise its shipment to Mexico.

Mexican Delegation Arrives

PA0901201594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 9 Jan 94

[Report by Jose Ignacio Penagos in Medellin from the "NTC Newscast"]

[Text] The Mexican Government delegation—which is trying to resolve the electric power emergency in southern Mexico as a result of Zapatista National Liberation Army [EZLN] attacks—is in Medellin. Helped by executives of Electrical Inter-Connection, Inc. [ISA], they are seeking to establish contacts with private companies that can provide parts to the Mexican Federal Electricity Commission and to purchase an undetermined number of high-tension pylons. They have reached agreements with public enterprises of Medellin, the electric power companies of Santa Fe de Bogota and Cali, and with ISA.

[Begin Victor Manuel Ibarra, Mexican delegation member, recording] I am only coordinating certain administrative matters. [end recording]

Several members of the Mexican delegation have traveled to Cali. Meanwhile, other members are in Medellin with ISA Manager Diego Landizabal to meet with executives of the enterprises that can help resolve the Mexican electric power problem.

Further Details on Downed Venezuelan National Guard Helicopter

PA0801200694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 8 Jan 94

[Report from the "NTC News" newscast]

[Text] Reports on the crash of a Venezuelan National Guard helicopter in Colombian territory continue to become more confusing. We have arrived in the zone and have established various issues there: First, the Venezuelan helicopter had landed in Colombian territory hours before the crash; second, it was not attacked by Colombian guerrilla groups, but it suffered an accident because it was carrying too much weight—and its crew members arbitrarily arrested various Colombian fishermen. Third, the shots fired from the aircraft were actually fired by the Venezuelan military to justify their actions.

The Army Commander has this document on his desk, the official report sent by the Colombian Armed Forces concerning the incident. The document's contents reveal: The confidential report sent in recently by the 2d Operation Command to the General Command in Santa Fe de Bogota registers, step by step, the operation executed yesterday by the Venezuelan military. Colonel Arcesio Barrero narrates to Army Commander General Hernan Jose Guzman the actions executed by the Venezuelan National Guard members. For example, he says the military suddenly entered Colombian territory, beat up civilians, insulted them, stole their money, and threatened them with death. The document becomes the strongest evidence of a violation of sovereignty that the government has in its power. It is the report from an appalled high-ranking Colombian Army officer who tells his superior about the Venezuelan Army's capacity for aggression.

The document clearly establishes there was never an intervention by the Colombian guerrilla forces, and the bullet holes in the helicopter were caused by the Venezuelan military members' own weapons to claim the aircraft had fallen due to a subversive action.

Minister Returns To Handle Incident

PA1001042894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 10 Jan 94

[Report by Alexandra Ortiz for the "TV Today" newscast]

[Text] Foreign Minister Noemi Sanin de Rubio abruptly returned to Santa Fe de Bogota this evening to evaluate the situation caused by the Venezuelan helicopter crash in Arauca.

The foreign minister, who interrupted her vacation in England, told "TV Today" reporters that she will talk with President Cesar Gaviria and high-ranking military commanders to learn exactly what happened. She will also study reports from members of the Attorney General's Office and the Foreign Ministry commission that traveled to the crash site.

The foreign minister also announced that a statement will be issued tomorrow by the Colombian Government in connection with the incident.

Authorities Confirm Venezuelan National Guard Gunrunning

PA0901172494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Jan 94

[Report by Miriam Ortiz from the "24 Hours" newscast]

[Text] A report by the "24 Hours" newscast more than a week ago has assumed unexpected proportions. First, a member of the ELN [Army of National Liberation] guerrilla group had reported that the Venezuelan National Guard was selling weapons to guerrilla groups in our country. The report was confirmed by Army Commander General Hernan Jose Guzman, and it has been fully confirmed by authorities on the border zone.

Three of the six departments located along the Venezuelan border—Norte de Santader, Arauca, and Vichada—have become the most vulnerable points for the trafficking of drugs and tons of weapons. Army forces in Arauca have just prevented the arrival of a weapons shipment intended for Colombian guerrilla groups.

[Begin General Alvaro Velandia, 16th Brigade commander, recording] A group was waiting for some materiel from the neighboring country. [end recording]

The weapons confiscated by the Army from the guerrilla forces during a sting operation included three Venezuelan-made revolvers.

[Begin recording] [Velandia] As you can see, here is a logo.

[Unidentified reporter] Yes, of the Venezuelan weapons factory.

[Velandia] Of Cavim [Venezuelan Corporation of Military Industries]. [end recording]

Arauca Governor Alfredo Colmenares also referred to the hard evidence against the Venezuelan military in connection with the gunrunning operations.

[Begin Colmenares recording] They are conniving and associating with Colombian guerrillas. They are seriously implicated, and there is evidence confirming this. [end recording]

According to Vichada Governor Rafael Celis, his department has become a haven for guerrillas, and the lack of controls at each side of the border facilitates gunrunning.

[Begin Celis recording] This is a major problem, considering that the Arauca River flows into the Orinoco River. [end recording]

The Army must control 2,220 km at the border not only to prevent arms trafficking, but because, according to reports, more than 20 Venezuelan citizens have arrived in Colombia to be trained by the ELN and FARC [Revolutionary Armed Forces of Colombia]. Authorities are also investigating reports that an ELN cell is operating in the Venezuelan States of Apure and El Amparo.

Economic Development Minister To Join Pastrana Campaign

PA1001010894 Santa Fe de Bogota Emisoras Caracol Network 1200 GMT 7 Jan 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Economic Development Minister Luis Alberto Moreno will be replaced next week, as he is joining New Democratic Force leader Andres Pastrana's presidential campaign. Pastrana confirmed to this newscast today that Luis Fernando Ramirez, Labor and Social Security minister, will remain in his post while the social security law is being drafted.

[Begin Pastrana recording] It is clear that Economic Development Minister Moreno will join my campaign in mid-January. We have also spoken with Minister Ramirez. President Cesar Gaviria wants Mr. Ramirez to stay in his post not only to advance the regulations but also to put the final touches on the social security law. [end recording]

Mr. Pastrana said that upon his return from Chile he will meet with President Gaviria to finalize the details of this issue.

Paraguay

Colorado Party President Riquelme Resigns

PY0701150894 Asuncion Radio Primero de Marzo in Spanish 1430 GMT 7 Jan 94

[Excerpt] We would like to reiterate that Blas N. Riquelme resigned today as president of the Colorado Party. The controversy between Riquelme and President Juan Carlos Wasmosy came to a conclusion today when the controversial politician and brewery owner resigned.

Riquelme's resignation was reported at the headquarters of the Colorado Party by Eugenio Sanabria Cantero, first vice president of the Colorado Party Executive Board, to whom Riquelme conveyed his decision to resign after a telephone conversation they held this morning.

According to the statutes of the Colorado Party, Sanabria Cantero automatically becomes the acting president of the Colorado Party. The party's executive board is holding a closed-door meeting to evaluate Riquelme's situation regarding his controversy with President Wasmosy. [passage omitted]

President Interviewed

PY0801161294 Asuncion HOY in Spanish 8 Jan 94 p 4

[Interview with Paraguayan President Juan Carlos Wasmosy by special correspondent Estela Valdes in Punta del Este, Uruguay; date not given]

[Text] [Valdes] What do you think of the resignation of [Colorado Party Chairman] Blas N. Riquelme?

[Wasmosy] Well, it is a political problem. It was resolved by the Colorado Party Executive Board. I think the problem was resolved at that level.

[Valdes] Do you feel strengthened now?

[Wasmosy] I have always felt strong. I have never felt weak.

But I have not always had the support of the Colorado Party Executive Board.

Well, but you know very well that I was elected president of the Republic even without his support.

[Valdes] Will there be changes in your cabinet?

[Wasmosy] Negative.

[Valdes] Will Eugenio Sanabria Cantero remain as head of the National Navigation and Ports Administration?

[Wasmosy] Yes, of course, provided that his current functions do not prevent him from acting as head of the Colorado Party Executive Board, which is what I think our country needs.

[Valdes] Will there be a change at the Interior Ministry?

[Wasmosy] No. Absolutely not.

[Valdes] If Sanabria Cantero's political activities prevent him from performing his role normally, will he be changed?

[Wasmosy] You are speculating. I am not saying that.

[Valdes] But according to your remarks...

[Wasmosy] No. I said that I think that he will be able to remain in his post and at the same time be the chairman of the party board. Why not?

[Valdes] Are you satisfied with his being chairman of the party board?

[Wasmosy] I respect the party statutes. When the president resigns, the vice president takes over.

[Valdes] There are speculations that you will reportedly hold a meeting with Argana in Punta del Este.

[Wasmosy] They are speculations.

[Valdes] Is there anything to them?

[Wasmosy] Absolutely not. Is he here? I have never met him.

[Valdes] It is said that you did see him at the Centenario Club, and that you turned around so as not to greet him on the day of voting at the club.

[Wasmosy] I swear that I did not see him.

[Valdes] It is said that the party problem was just a smokescreen to conceal the utility rates increase.

[Wasmosy] That is absolutely false.

[Valdes] It is appropriate to mention that the Paraguayan president arrived yesterday in Punta del Este, where he will stay until tomorrow. In the afternoon he held a meeting with his counterparts Luis Alberto Lacalle (of Uruguay) and Carlos Saul Menem (of Argentina) at the farm of businessman Samuel Lieberman in Maldonado.

Finance Minister Discusses Mercosur

PY0701170094 Asuncion ABC COLOR in Spanish 3 Jan 94 p 16

["Exclusive" interview with Finance Minister Crispiniano Sandoval by unidentified reporter; place and date not given]

[Text] [ABC COLOR] We are only 15 days away from decisive political and technical Mercosur [Common Market of the South] meetings. How do you view Mercosur's immediate future? Will it be a free-trade zone, a united customs system, or a common market?

[Sandoval] About Mercosur's immediate future: Officially, the schedule established at Las Lenas is being fulfilled. That schedule established the creation of a common market as of 1 January 1995. However, the decisive item in the creation of a common market, the establishment of a common external duty system, has been delayed.

According to a decision made during the 28 December 1992 presidential meeting in Montevideo, the common external duty system will have levels between zero and 20 percent, although "a reduced list of products will have different rates, which will reach up to 35 percent, with the understanding that this special rate will be reduced to a maximum of 20 percent over a period no longer than six years beginning on 1 January 1995."

On the other hand, the Asuncion Treaty gives Paraguay and Uruguay one year, or until 1 January 1995, for the total elimination of the list of exceptions that is included in the remaining 20 percent of that list.

We can infer from all I said above that if products and duties in the reduced list mentioned in the 28 December 1992 presidents declaration are not many, we will have a "limited customs union" on 1 January 1995.

[ABC COLOR] Considering the difficulties encountered among member countries during the negotiating process, what are Brazil's proposals for breaking the deadlock and establishing a common external duty system for products called sensitive, such as capital goods, pharmaceutical chemistry [quimica fina], computers, etc.? Will the date for the establishment of an extended market, which was set for 1 January 1995, be delayed if it is not possible to find common ground for an agreement?

[Sandoval] According to what was said in the last economy vice ministers' meeting in Montevideo on 12 November 1993, as well as during the previous meetings of the technical subgroup 10 (to coordinate macroeconomic policies), the Brazilian position on one hand, and the Argentine, Paraguayan, and Uruguayan positions on the other, are irreducible when referring to products such as capital goods, computers, and pharmaceutical chemistry. Brazil wants to protect its industries in these areas, while Argentina, Paraguay, and Uruguay need to equip themselves, want the freedom to freely chose technologically advanced products from third countries at a reasonable price, and do not want to be forced to purchase Brazilian machinery which is competitive simply because of the zero duty between Mercosur countries.

Brazil has made a concrete proposal. They proposed applying a 35 percent duty on these products at first, then lowering the rate gradually until it reaches 20 percent in six years starting in 1995. But this position was categorically rejected by Argentina, Paraguay, and Uruguay. Evidently this is a very difficult point because it not only deals with a difference in criteria on duties, but also affects the macroeconomic policies of these countries. The media has reported two bilateral meetings between Argentina and Brazil at the level of the economy vice ministers and economy ministers during December, to discuss these points. Paraguay and Uruguay were excluded from those meetings. Decisions in Mercosur must consented to by the four member countries. We can assure you that Paraguay will not yield its position of demanding reduced duties for these products.

There is no doubt that a stalemate on this point will be an obstacle for the establishment of the Mercosur as of 1 January 1995. But it is better to wait and see.

[ABC COLOR] The schedule for the gradual elimination of tariffs has been strictly fulfilled. But very little progress has been made in the area of coordinating macroeconomic policies. We can almost say that talks on this matter are stalemated. What is being done to correct

the asymmetries regarding trade, foreign exchange, tariffs, and even some protectionism that is still noticeable in the national economic structures of member countries?

[Sandoval] Here we must say that Brazil is the member country that must correct its economic policy in order to move its position closer to that of the other countries. According to macroeconomic indicators such as inflation rate, devaluation, fiscal balance, and custom tariffs, there is a great difference between Brazil and the other three member countries. The indicators mentioned above are not too different in Argentina, Paraguay, and Uruguay, and the gap can, therefore, be closed. But Brazil, with a 30 percent monthly inflation rate, correlative devaluations, and protectionist tariff policies in general, is too far out and will have difficulties in closing the gap. This country must establish the mechanisms to substantially reduce those rates. No one can ask the other three countries to increase their indicators disproportionately.

Uruguay's case is somewhat different because, although it does not have an incredibly high inflation rate nor devaluations (between 30 and 60 percent per year), its indicators do not match those of Argentina and Paraguay, but there are greater possibilities of adjusting them. This issue, obviously, is Mercosur's "Achilles tendon" because the respective economic plans are subject to the domestic policies, and in order to become attuned with other countries it is necessary to make changes which in some cases may represent great detours from the chosen path.

But we must also bear in mind that there is still a year ahead of us before Mercosur is implemented, and that the Brazilian delegations, during the economy ministers' meeting held in Asuncion on 1 July 1993, made a proposal to study the possibility of a maximum exchange rate band for the real exchange rate. This proposal is being assessed by the working subgroups.

[ABC COLOR] In the case of a possible link with NAFTA, what do you think Brazil will do if it has to choose between NAFTA and Mercosur?

[Sandoval] Although the Asuncion Treaty does not specifically mention the linking of member countries with other economic blocs, with the exception of ALADI [Latin American Integration Association], it can be deduced from what is established in Article 8 that any advantage granted to a member country is extended to the other Mercosur members. Therefore, Brazil or any other Mercosur member country's link with NAFTA would automatically mean the link of the entire group with the NAFTA bloc.

Another possibility is that Brazil leave Mercosur, as established in Articles 21 and 22, to independently join NAFTA. We do not believe this will happen because it was precisely Brazil and Argentina that promoted Mercosur. Moreover, in the hypothetical case that it has to choose between Mercosur and NAFTA, we believe that Brazil as the country with greater economic development in the region will be more interested in Mercosur for competitiveness and leadership reasons.

Compensation From Argentina Over Pilcomayo River Considered

PY0801165794 Asuncion ABC COLOR in Spanish 8 Jan 94 p 9

[Text] Paraguayan President Juan Carlos Wasmosy yesterday did not rule out the possibility that Paraguay might request indemnification or compensation from Argentina for the damage caused to our country as a consequence of the diversion of the Pilcomayo River. That is what he said at the end of the lunch he held with his Argentine and Uruguayan counterparts Carlos Saul Menem and Luis Alberto Lacalle at the Charrua Hill farm belonging to Samuel Liberman.

For more than three hours the three presidents met with businessmen, industrialists, and some press barons. Although Wasmosy at first said that bilateral issues or those related to Mercosur [Common Market of the South] were not treated, he later explained that he talked with Menem on aspects related to the Pilcomayo River.

"We are going to discuss that matter with Menem on 14 January when the Mitre Canal dredging begins. This is part of the riverways and Mercosur projects," he said.

He added that he told Menem and Maria Julia Alsogaray [natural resources and environment secretary] that in Buenos Aires they will talk thoroughly about the Pilcomayo River, when Public Works Minister Engineer Carlos Vacetti and engineer Luis Alberto Meyer, director of the National Pilcomayo River Commission, will also be present.

Asked whether during the dialogue on the Pilcomayo River they discussed the infrastructure that will reportedly be built to take advantage of the river's low waters, he said: "This problem does not affect Paraguay and Argentina alone. It also affects Bolivia, and after all it is also an ecological problem which needs very special attention."

The Paraguayan president did not rule out the possibility of demanding compensation from Argentina for the damage caused by the diversion of the Pilcomayo River. He thus said that he will first try to solve the problem, and then seek the indemnification or some arrangement that could be achieved on the matter.

Wasmosy was also consulted on whether they discussed the automatic lifting of tariffs that will be in effect among Mercosur countries, and he said that it is a subject that has a process to follow. He explained that the policy on this matter is based on achieving coordination of macroeconomic policies among Mercosur countries, because otherwise the issue will be delayed even more.

Asked again why Paraguay did not submit in time the official lists of products that would be exempted from taxes, he said: "It is not true that we did not submit in time the lists of our products, but the integration treaties will be signed and fulfilled only if they bring more bread, happiness, and well-being to the inhabitants of the country."

The president added that the presidents of Bolivia and Chile were invited to the meeting with the Mercosur presidents to be held in Colonia (Uruguay), but he declined to name the fundamental topics that will be discussed at that summit.

Peru

Duran-Ballen's Visit Postponed 'Until Further Notice'

PA0701144194 Lima Global de Television Network in Spanish 0100 GMT 7 Jan 94

[From the "Global TV News" newscast]

[Excerpts] President Alberto Fujimori revealed today that Ecuadoran President Sixto Duran-Ballen's upcoming visit to Peru has been postponed until further notice. The head of state also referred to other issues during the various activities he carried out at the settlement of Huaycan. [passage omitted]

Shortly before concluding his tour, he briefly inspected the site where the local technological institute is being built. In his statements to the media Fujimori ruled out the possibility that Ecuadoran President Duran-Ballen's visit to our capital will take place on 20 January.

[Begin Fujimori recording] The date has not been officially coordinated at the Foreign Ministry level. In any case, it will not occur on 20 January—but we are waiting for our Foreign Ministry to establish the most appropriate date. We are obviously waiting for this expectantly, to welcome the president of our brother country Ecuador with open arms, as he deserves. [end recording]

Expert Assesses MRTA, Shining Path Status

PY0701174094 Lima EXPRESO in Spanish 27 Dec 93 p A6

[Interview with Carlos Tapia, an "expert" on subversive affairs, by Victor Andres Ponce; place and date not given]

[Text] [Ponce] How do you view the subversive phenomenon at the end of 1993?

[Tapia] It is no secret that the MRTA [Tupac Amaru Revolutionary Movement] has been defeated and those who are left of its militants are engaged in abduction and looting. The truth is that they were defeated late in 1991, when columns headed by Serpa Cartolini and Sistero Garcia clashed in San Martin. This confrontation reflected the rapid decay of this subversive movement.

[Ponce] Are there no more MRTA columns or grassroots groups in the interior?

[Tapia] The MRTA has been completely annihilated. Most of the recently repented terrorists belong to this group.

[Ponce] What about the Shining Path [SL]?

[Tapia] The SL has an active column in Huancabamba which is linked to the Jaen Province in Cajamarca; the column in Mariscal Luzuriaga Province, Ancash, operates in Huanuco; and there is another active column in Chalhuanca, Apurimac.

[Ponce] How about Huallaga?

[Tapia] In that zone there must be approximately 500 men of what they call their main force and their local force. These individuals are fulling engaged in drug trafficking. The Huallaga SL regional committee broke away from the SL leadership in February 1990, when [Abimael] Guzman was still free. Imagine now that their leader is behind bars. It is more than likely that the remaining SL members throughout the country receive no economic aid from this zone.

[Ponce] How about Lima?

[Tapia] The SL has four very important armed detachments deployed in various parts of the city. One of them recently held up a bank branch in El Agustino.

[Ponce] Now that Guzman is in prison and they do not have the economic support from the Alto Huallaga drug trafficking, has the SL managed to organize another political-military unit?

[Tapia] The most difficult time for the SL seems to have been between September and December 1992, after Guzman was arrested. The SL Central Committee held its first meeting in February 1993 and managed to get reorganized in May.

[Ponce] Was this under the leadership of Oscar Ramirez Durand (Feliciano)?

[Tapia] Yes, it is unlikely that their hierarchy has varied, more so because Feliciano has been the third or fourth most important member since 1980. Oscar Ramirez Durand participated in the Chuschi School, in the 1988 Congress, and was elected to the Central Committee.

[Ponce] Are there any signs of a reaction by the SL to Guzman's request for a peace agreement?

[Tapia] Fujimori read the letter before the United Nations on 1 October, an important day for the SL because it is the anniversary of the Chinese revolution. On 7 October, the SL Central Committee issued a communique reporting a government trick. Following these developments important changes took place at the

SL grassroots level, although they were not consistent—one must bear in mind the hold up in El Agustino. The best evidence of these changes is the pronouncement of the Canto Grande inmates in favor of the agreement. These sectors accept a single leader and talk about a change of times for the SL. The SL representatives abroad also reveal a change of stance...

[Ponce] But Arce Borja and Olaechea have emphatically reported this trick...

[Tapia] Their pronouncement is unimportant. It should be recalled that neither of them belonged to the SL Central Committee. The most authorized voices abroad are the relatives of Augusta La Torre, Guzman's late wife. These relatives, who are in Stockholm or Switzerland, have stated that one SL period has ended and a new period has started. But it should be noted that there is a sector that has still not clearly stated its position.

[Ponce] Why do you maintain that negotiations between the government and Guzman continue?

[Tapia] The negotiations started last February and are about to end. What other explanation is there for transferring Martha Huatay from Yanamayo or for summoning Osman Morote. Negotiations cannot be based on Guzman's imprisonment terms because this is handled by the International Red Cross...

[Ponce] What other things do you think are being negotiated. What is Guzman's plan?

[Tapia] What do they mean when they say that a new phase is beginning in the party? I always remember him saying: "We were never defeated by the police, why should we be defeated in war." And, precisely, before starting its war, the SL was a political organization that controlled all sorts of social sectors in Ayacucho, including universities, neighborhood associations, peasants federations, and the Chamber of Commerce. An alternative with this background, that engaged in war, may emerge to...

[Ponce] To become an electoral alternative?

[Tapia] I do not think that is feasible because the SL continues to be a totalitarian alternative. If SL militants give up war, they will not do so out of political conviction, but rather because of their submission to the leadership of "their president." If they were to decide to become an electoral alternative, that would mean Guzman would cease to be their leader. Yet it is quite likely he will continue to lead his party from prison. Nobody can imagine Abimael speaking over television and trying to convince electors. He has always done politics as he is doing now in his cell: Imprisoned, watching television, with a communication channel carrying his message to the militants.

[Ponce] Are you telling me the SL will become a striking force [fuerza de choque] within labor unions and social groups...

[Tapia] That is so.

[Ponce] But what evidence is there that the SL's new phase is heading in that direction?

[Tapia] The SL's new language in the neighborhoods is against actions to obtain electoral gains, against traditional political parties, in favor of the peoples' claims, and is antirevisionist (against the legal leftist sector in the neighborhoods)...

[Ponce] Does this new language follows Guzman's orders from prison?

[Tapia] Obviously. We will, therefore, face a striking force within the peoples' movements. Another thing to remember is that a force of this kind may establish alliances with the most obscure sectors of the country.

Lima Mayor on National Dialogue, Municipal Autonomy

PA0701125194 Lima Global de Television Network in Spanish 0100 GMT 4 Jan 94

[From the "Global TV News" newscast]

[Text] Commenting on President Alberto Fujimori's calls for national dialogue, Lima Mayor Ricardo Belmont has said that all talks intended to revive the country's economy would be positive. He also said that he will submit to Congress a bill on the basic municipalities law in order to give them more autonomy.

[Begin Belmont recording] Mayors have the right to submit proposals. We are proposing a much more modern and more expeditious basic law to grant local governments what they have been wanting for years: an opportunity to depoliticize their actions and assume more executive powers, implementing public works programs with their properties and income to benefit neighborhoods.

I think that, as the government stated, anything that favors national consensus, such as the government proposal, is an excellent idea, because Peru needs to focus on those things that unite it, not on the few things that divide it. [end recording]

Board of Magistrates Names Supreme Court Members

PY0701193994 Lima EL PERUANO in Spanish 28 Dec 93 p A2

[Text] The Disciplinary Board of Magistrates on 27 December 1993 named 14 full members of the Supreme Court and four supreme prosecutors.

The designations were made under the terms of Article 2 of the constitutional law dated 17 December 1993, which empowers the Disciplinary Board of Magistrates to designate and evaluate Supreme Court members and prosecutors.

The whereas clauses of Court Resolutions Nos. 1 and 2 establish that the Disciplinary Board of Magistrates has conscientiously chosen the best qualified-magistrates for the posts.

The designated Supreme Court full members are: Luis Almenara Bryson, Jorge Buendia Gutierrez, Andres Echevarria Adrianzen, Carlos Giusti Acuna, Pedro Iberico Mas, Elmer Lozada Peralta, Emilio Montes de Oca Peralta, Luis Ortiz Bernardini, Nelson Reyes Rios, Javier Roman Santisteban, Lino Roncalla Valdivia, Manuel Sanchez Palacios Paiva, Hugo Sivina Hurtado, and Elcira Vasquez Cortez.

The designated supreme prosecutors are Miguel Aljovin Swayne, Ana Nelly Calderon Navarro, Blanca Nelida Colan Maguino, and Pedro Pablo Gutierrez Ferreyra.

The two resolutions established that the Disciplinary Board of Magistrates will issue, on behalf of the nation, the certificates to the designated Supreme Court members.

Thanks to the constitutional law promulgated on 16 December 1993, the Disciplinary Board of Magistrates' functions were expanded to include the designation of members of the National Council of Magistrates, which is an institution that designates and evaluates Peruvian judges, except for justices of the peace, who are selected in elections by the people, as is set forth by the Constitution approved in the referendum on 31 October 1993.

Uruguay

IDB President Iglesias Interviewed

PY0801144394 Montevideo EL PAIS in Spanish 2 Jan 94 p 18

[Interview with Inter-American Development Bank, IDB, President Enrique Iglesias in Montevideo; date not given]

[Text] [EL PAIS] What is the situation in international trade?

[Iglesias] The situation remained stable at a 4-percent growth rate, and a recovery in the past few years. However, the most important issue is the approval of the "Uruguay Round" of GATT talks which has finally ended, and which I believe represents a very important step forward for the future of international trade.

I think that the importance of this round of talks is not the achievement of the goals we wanted, but the achievements obtained since the talks began in 1986 in Punta del Este. I think the situation is much better, although not as good as we would have wished, especially for the developing countries. It is very difficult to make progress in this field. The important thing is that we currently have a much stronger GATT organization in comparison with what it was in the past, and consequently we now have an authority controlling trade processes.

Issues that had been excluded from international talks are now part of the negotiations. Progress has been made with the incorporation of subjects like agriculture, textiles, and services, which constitutes historic progress.

I think the round of talks has resulted in considerable progress which implies historic change in international trade procedures, bringing good perspectives for us. In the agricultural field I do not think things are as we wished they would be, but there has been considerable improvement in any case regarding raw materials.

I can see encouraging international trade perspectives due to the situation in industrialized countries. The United States is clearly undergoing a period of recovery, but this is not the case in Europe and Japan, the other two great trade engines. In general terms the perspectives for international trade are that it will continue to improve over the next few years.

[EL PAIS] To what extent have your expectations of 1986, when you helped the GATT talks begin in Punta del Este, been met with the conclusion of the Uruguay Round?

[Iglesias] It is clear that the objectives we then established were very ambitious, and they gave us much harder work than we thought. It is also true that had it not been for those ambitious goals, we would have not been able to find a balance through gains and concessions that allowed us to find a negotiating point.

Seven years after the talks began it has been demonstrated that international trade negotiations are complicated, but it is possible to make progress in them.

The important issues of the Uruguay Round were two subjects: On the one hand we have given a clear signal to restrict the extension of protectionism, while on the other hand, at a moment when the international situation is slow and full of crisis, the news of the GATT results was a good revitalizing shock even in some developed countries.

[EL PAIS] When do you think that the industrialized countries will recognize the rights of the countries that produce food and raw materials with efficiency, like the members of the Cairns Group, including Uruguay?

[Iglesias] That is very hard to predict. A step forward has been taken which some think is very modest, while others do not think so. The momentum to review the issue has begun, but I cannot predict anything.

[EL PAIS] What are the differences between the progress attained in the Tokyo Round of talks (1970) and the Uruguay Round?

[Iglesias] The important thing is that the customs tariffs have dropped further. But more important than that is the inclusion of new subjects in GATT, and the strengthening of the institutional structure of international trade.

I think these are the most important and original results, although there are other subjects such as the mechanisms to solve controversies.

[EL PAIS] Although it may seem early to make this question, do you think that a new round of negotiations within GATT must take place at some point?

[Iglesias] I seriously doubt that a new round of talks should have to take place in the future. I do not dare to think that another round of talks of this kind might take place for many years. Some permanent negotiation mechanisms may turn up within the new organization that will allow problems to be solved, instead of holding these round of talks which imply an enormous and unimaginable political effort such as the one made over the past seven years.

I think that solutions may perhaps be sought through some kind of negotiations within the organization that will be created, taking into consideration sectors, problems, or products.

[EL PAIS] What negotiation possibilities will developing countries have within this new organization?

[Iglesias] For some developing countries, especially those that produce food, the results may be harsh, because food prices will tend to increase according to this structure. I think that countries like ours must continue negotiating. I think the Cairns Group has played an important role, as demonstrated by the facts. I simply think we must continue struggling in favor of international laws in this kind of negotiation.

[EL PAIS] What do you think of the economic situation in Uruguay?

[Iglesias] The country is making necessary economic changes. I think that the macroeconomic situation has been wisely conducted, and if the international situation does not become negative, our prospects for the future, within the current terms, are of prudent optimism.

[EL PAIS] Uruguayan exporters feel affected by policy maladjustments implemented in our country, leading to a drop in exports. To what extent do you think the eventual loss of competitiveness of our exports and the closing of international markets is important?

[Iglesias] Our problems have become worse due to the drop in prices of some goods, making it more difficult to compete abroad, but I think that if we want to be part of an open club it is absolutely necessary to go through the stage of adjusting ourselves to becoming more competitive. This implies some inevitable costs, which must be understood, and we must try in as many ways as we can to overcome them. However, if we thought all sectors should make profits we would not be recognizing the mechanism of the integration process. It is inevitable that some sectors should lose while others make a profit. The important thing will be that at the end of the road we will all be in better shape, and I think we will accomplish that once the Common Market of the South [Mercosur] is strengthened.

[EL PAIS] What is the situation of the IDB now, during your second term as head of the bank?

[Iglesias] We have gradually gained the trust of countries in the north as well as the trust of Latin American countries. We have extended our sphere of action. We have improved the dialogue with governments and civilian societies.

We think the bank has a very special characteristic. Latin Americans think of it as something of their own, and they are right. This has opened up different possibilities that are not covered by other institutions, precisely because of that special relation we have with governments, the public, and the private sector in general. I envision the future with optimism because, in one way or another, the region is beginning to show a reaction.

We are giving priority to areas we think will be important in the near future. I can mention two essential areas: support to social areas of the economy, something vital in this era when reform processes demand renewed action in social programs; and support to the private sector.

We think it is very important for the bank to continue assisting the private sector. We are granting this assistance through investment corporations, modestly, but with very good results, such as in Uruguay. We want to go a step forward, and the board of directors is studying the possibility of loaning directly to the private sector, without government guarantees, particularly for projects of infrastructure. That would give us a new window to work on. It is early to anticipate a result, but there are good possibilities.

Finally I would say that the big issue worrying me is how to support small- and medium-sized enterprises which generally do not have access to international financial sources. For me it is an objective with a very high priority.

[EL PAIS] Has Uruguay efficiently used the resources provided by the bank?

[Iglesias] I think it has used our support efficiently and in a variety of ways. I am very happy with our image in Uruguay. In 30 years the bank has loaned $1.2 billion to the country, which in current values must be around $2 billion. We have financed programs worth much more than that, because bank contributions are only a part of the total program.

This strong bank presence has centered in very concrete and specific areas, going from physical infrastructure to support for economic reform programs. It has covered economic areas such as milk or rice production and social areas such as education, health, and housing.

I think this coverage will continue in the future if the bank can expand its capital base, as we all think it will.

[EL PAIS] What are the possibilities for obtaining assistance for the Plan III of Municipal Works that was presented by Juan C. Raffo, transport and public works minister, and National Mayors Congress President Sergio Chiesa in Washington last October?

[Iglesias] The bank has financed many sanitary and drinking water programs in Uruguay over the past 30 years. We think our assistance to Montevideo is very important, because Montevideo has half the population of the entire country. It is a joint effort by the national government and City Hall.

We have done very well with Sanitary Plans I and II, which are currently being implemented. I do not foresee any problems for Plan III, or even Plan IV, which will complete the entire network of Montevideo's sanitary infrastructure. With the implementation of all these plans I think Montevideo can rightfully aspire to becoming one of the most decontaminated cities in Latin America.

[EL PAIS] What importance will the regional and subregional groups—such as Mercosur, NAFTA (Mexico, the United States, and Canada), and those that have been reached in Central America and the Caribbean—have?

[Iglesias] I am in favor of those groups. I think it is a new form of integration in Latin America. This is an open and competitive integration. We are not resorting to the kinds of closed mechanisms we had in other times.

I think we must say that the new Latin American philosophy of integration is not achieved in sacrificing the overall relationship, but on the contrary, by strengthening it through a general improvement of efficiency in the countries.

I believe that with that pragmatic and open idea the subregional treaties have demonstrated that they are developing. I am very impressed with the progress achieved by Colombia and Venezuela, the latest developments within Mercosur, the new frontiers that are being opened in Central America. It is important to continue along that line.

The agreement among Mexico, the United States, and Canada is a historic event in hemispheric relations, and I think it has strengthened these regional mechanisms, which have become more necessary than ever. I think this because somehow, in negotiating possible membership in NAFTA, the fact that we are participating as a group of countries facilitates negotiations, and makes the agreement more feasible.

NAFTA opens a new opportunity to the hemisphere, and beginning from there it strengthens the very subregional integration schemes on which we must insist.

[EL PAIS] How do you view the development of Mercosur after some of the difficulties that have emerged, and which have not been fully overcome, in 1993?

[Iglesias] I think the structural problems prompted by these integration schemes emerge when the countries are not yet in the same situation. These differences in the macroeconomic situations prompt difficulties and problems such as that of the common import tariff.

But I would dare to say that in many aspects these difficulties were avoidable. The political will is very strong, and I can see it everywhere, and that is essential.

[EL PAIS] How long does Mr. Iglesias believe he will remain as president of the IDB?

[Iglesias] It depends first on the contract I have with the bank, which expires in four years. It will also depend on whether the governments want me to continue to head this institution, and of course it depends also on the will of God, who has something to do with this business.

[EL PAIS] Have you considered any other future activity once you conclude your term in office?

[Iglesias] No. My desire is to return to Uruguay, but by no means have I thought what to do during that "century ahead," which means the next four years in the life in which we're living.

[EL PAIS] Would you be a minister again in a Uruguayan government?

[Iglesias] Look, I have no answer to that question. All the options of my life are open, but for the time being my only concern is basically to try to fulfill the objectives I have set to see to it that, with the help of God, I might complete a decade in the bank to do what I have proposed to do.

[EL PAIS] The planned economies have fallen, while neoliberalism prevails. It is said that no alternative has been found to this doctrine. What do you think?

[Iglesias] Look, I think it would take a long time to answer that question. Each person interprets neoliberalism very differently, so the first thing I would ask is how do you define neoliberalism, and then I would offer my understanding of it.

I think the experience of the past few years has demonstrated that there are important limits to state voluntarism, and that there are limits to be imposed on the people, starting from above.

Therefore, if we understand neoliberalism in this manner, I agree with it. Now, if what we understand by neoliberalism is simply that the forces of the market can play without any type of state presence or control as guardian of public interests, or that the responsibilities inherent to an appropriate function are not assumed, I would say that I do not agree with it.

Clandestine 'Artigas Guard' Group Under Investigation

PY0701124694 Montevideo EL OBSERVADOR ECONOMICO in Spanish 4 Jan 94 p 3

[Text] Official sources have told this daily that President Luis Alberto Lacalle and Interior Minister Raul Iturria evaluated yesterday all aspects related to the attack on the house of prosecutor Jose Luis Barbagelata. They agreed that it was an action motivated by "a desire to create a political event."

President Lacalle reiterated to the interior minister "his total support" in "getting to the bottom" of the matter within the framework of the investigations being carried out to find those responsible for the attack, which was labeled "a political issue."

The Artigas Guard claimed responsibility for the attack. This is a clandestine group whose members identify themselves as the intermediate commands of the Army. This group also claimed responsibility for the attack against the studio of former President Julio Sanguinetti in mid-1992, in addition to other actions.

Military sources told this daily that the Army is continuing the investigation ordered by Army Commander Daniel Garcia when the clandestine organization released the so-called Bulletin No. 2.

A military source said: "No conclusion has been reached, and therefore nothing certain can be said. The Artigas Guard is being investigated, including its possible connections with the Army if it has any, because its members call themselves the intermediate commands." Military and government sources indicated that "there is no evidence" to presume they are indeed military personnel.

One of the sources said: "They call themselves intermediate commands, but this has not been verified. It has also not been verified what their composition is: whether they be civilian, civilian and military, or military alone."

Army Commander General Daniel Garcia told this newspaper on 7 October 1993 that "the people responsible for the attack have not yet been identified, but when this happens it will be known because there will be a very big noise. Working in silence does not mean we are not working."

He added: "The day we find the members of the so-called Artigas Guard, or anyone responsible for any other irregular event, we will react vigorously within the current legal regulations."

The official sources noted that the investigation of this case is being carried out by the Security and Investigation Directorate of the Police Information and Intelligence National Directorate and by the Technical Police National Directorate, in cooperation with the Defense Information Service of the Defense Ministry.

National Center for Strategic Planning Created

PY0801151694 Montevideo LA MANANA in Spanish 3 Jan 94 p 6

[Text] The executive branch has ordered the creation of a Center for Advanced National Studies [Centro de Altos Estudios Nacionales] (Calen) with the purpose of training Armed Forces officers and civilians from both the public and private sectors in strategic planning and advising.

The objective of Calen is, among others, to increase knowledge of the true national situation within a regional, continental, and international context, through appropriate and modern methodologies.

This center will be in charge of the National Higher Studies Course established in 1986. The center will be headed by a director, who will be responsible to the Defense Ministry. It will also have an academic deputy director and a course director.

The post of director will be held by a general, and the deputy director will be a civilian (a professional with a university degree), or a graduate from Calen or from Esendena [National Defense and Security School].

The executive branch will select the civilians who will study in Calen, who will be nominated by various organizations. The Defense Ministry and Armed Forces commanders will nominate officers to attend the courses.

Within the military career, the completion of these courses will be considered credit toward attaining an assignment.

According to the Defense Ministry the creation of this center will not represent any expense, because all the necessary resources are already available and need only be reallocated.

Venezuela

Judge Orders Suspension of Value-Added Tax

PA0701174994 Caracas Venezolana de Television Network in Spanish 2350 GMT 6 Jan 94

[Report by correspondents Melisa Soto and Zaida Pereira; from "The News" newscast]

[Text] The implementation of the value-added tax [IVA] has been temporarily suspended over the entire country until the people are duly informed about it. Melisa Soto has more details.

[Soto] The Third Tax Disputes Court, presided by Judge Orlando Sarti, made the surprising decision after lawyer Rafael Balled Mardeni filed last Thursday a Constitutional amparo petition requesting the suspension of the IVA implementation. The lawyer felt the IVA implementation violates Articles 223 and 49 of the Constitution, as

it undermines the rights of Venezuelan citizens since they are not duly informed about the implementation of the IVA. In the lawyer's opinion, this has lead to great confusion among the people and total anarchy on the part of merchants when they collect this tax.

[Begin recording] [Balled] I sincerely feel we have prevented a mass uprising like the one that took place on 27 February, because there is no way to stop the merchants' abuses in collecting this tax from the people.

[Soto] Do you not think this situation may cause greater confusion among the people.

[Balled] Not at all. Henceforth, the government will have to properly inform the people about the tax, something they have to do now because of the amparo petition filed, and everybody will immediately stop paying IVA.

[Soto] How long will the temporary suspension last?

[Sarti] It is no secret people have been paying IVA since last year, although the law and its regulations stated it was going to enter into effect on 1 January 1994. It is no secret people have been paying it since last year. This has been true anarchy. As for a timetable.... [pauses] the court did not give the government a timetable, because it felt that the Executive Branch's wisdom, or rather that the government's wisdom may be reflected in whether it takes a long or short time in implementing a good information campaign of what this tax should be, namely, the people should be able to understand it. [end recording]

[Soto] MAS [Movement Toward Socialism] Senator Cristobal Fernandez intervened as a witness in this suit.

[Begin recording] [Fernandez] We warned from the start that because this is a regressive and unjust tax it would be an unbearable burden on low-income groups and that ultimately it does not provide a solution to close the fiscal gap, which is what the government sought with it. We believe the next congress must establish a new tax collection system and a broader tax reform, which puts the burden on large income and luxury goods and avoids imposing such a heavy burden on the people of Venezuela. [end recording]

[Soto] It is worth noting that any merchant who, starting at 1100 on Thursday, continues to collect IVA will commit an offense that may be punishable with jail.

Upon learning of the ruling by the Third Tax Disputes Court suspending the IVA, Finance Ministry Adviser Alcides Villalba stressed the Constitutional amparo does not suspend the tax, so it will continue to be collected.

[Pereira] Villalba added the amparo petition will be appealed if it is made official, since the Court has not handed the ruling to the Finance Ministry, the Prosecutor General's Office, or the Comptroller General's Office. In his opinion, this ruling only serves to confuse the people since some people refuse to pay this tax. Villalba stated the amparo brings about a suspension when it refers to other cases, but since this is a tax measure the amparo does not have this effect. This is an individual not a collective amparo, he noted, adding it cannot be carried out. He also said the survival of the Venezuelan State depends on the IVA.

[Begin recording] [Villalba] As I understand it, based on news media reports, many of them reliable and others not so....

[Unidentified speaker, interrupting] It may be disinformation.

[Villalba] Based on disinformation, the judge said there is widespread misinformation. I would ask the judge if he reads the newspapers. This has been in the media. This problem has been under discussion in this country for three years. [end recording]

[Pereira] The Finance Ministry representative said this is a political decision, and if it had come at another time, he would have thought the purpose was to destabilize the government.

Meanwhile, President Ramon J. Velasquez said the IVA implementation is not a whim of the Executive Branch since it responds to the reforms to the tax system that have been under study for almost four years. He added the new tax is necessary to control the fiscal deficit that has been worsening the country's economic and social situation year after year.

[Begin Velasquez recording] The IVA is a fiscal necessity. I want to explain that the government I have been leading since June did not invent it. It was part of a modernization program of the Venezuelan fiscal system, which had been agreed on since 1989. Along with the other laws that became part of the special powers law, the Congress was unable to approve them for basically political reasons. My government took on the responsibility of promulgating those laws. The state's fiscal deficit is profoundly harming the situation in Venezuela, because it leads to a permanent devaluation of the bolivar due to inflation and to this enormous social cost that 20 million Venezuelans are paying. Let us not say 20 million, rather 18 million Venezuelans; two million persons are not suffering.

The oil revenues keep coming in, but it is no longer sufficient to meet all the requirements of the state, which has to pay 1.2 million public employees and state employees protected by collective agreements and which has the obligation to maintain health, education, public security, and road services and to maintain the equipment of the Armed Forces. We must find other fiscal resources that will, among other things, make it possible to lower the fiscal deficit, and—this is something the government that will take office in 28 days will do—seek other income formulas and resources that will make it possible to lower that deficit in one, two, or three years. [end recording]

Attorney General: Tax Still Valid

PA0701181994 Caracas Venezolana de Television Network in Spanish 2350 GMT 6 Jan 94

[From "The News" newscast]

[Excerpt] The attorney general of the Republic and the finance minister have commented on the ruling issued by the 3d Court for Tax Issues and agreed it does not invalidate the collection of the value-added tax [IVA]. Instead, it urges the Executive Branch to better publicize the law.

[Begin recording] [Attorney General Ricardo Ernst Contreras] The law is still in effect. A court ruling in connection with a request submitted by anyone does not derogate a law. Laws are only derogated by other laws. Laws are also derogated when someone submits an appeal for annulment because the law violates the constitution—and the appeal has sufficient grounds. This can involve the whole law or some of its provisions.

Also, a law can be rescinded in connection with a given process because one of the interested parties claims the law violates the Constitution. However, the ruling issued by such a court in connection with such an appeal obviously cannot derogate a law. [passage omitted] [end recording]

Finance Minister Defends Publicity for Value-Added Tax

PA0701173994 Caracas Venezolana de Television Network in Spanish 1550 GMT 7 Jan 94

[From "The News" newscast]

[Text] The national government will not acknowledge a constitutional amparo on the value-added tax [IVA], as an amparo is a legal instrument that only benefits the individual who submits it. Therefore, it cannot have a collective nature or effects.

As for the claims by lawyer Rafael Bayed on the lack of information in applying the IVA, Finance Minister Carlos Rafael Silva feels that an appropriate campaign was conducted in implementing it.

[Begin Silva recording] The government has complied with the constitutional provision that compels it to publish in the official gazette of the Republic of Venezuela the laws that—in this case—were discussed and promulgated. [indistinct questions by several reporters]

In addition, you all know very well that the national government has made a tremendous effort to publicize the IVA in all media. This has been published in every newspaper in the country, in addition to having been reported by all audio and visual media which have emphasized exceptions made for food and medications, in addition to several services. [end recording]

Asks Merchants To Apply IVA

PA0801033994 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 Jan 94

[From "The News" newscast]

[Text] The Finance Ministry has urged merchants to charge the value-added tax [IVA] and asked consumers not to refuse to pay it, noting that noncompliance with this mandate will be punished according to the law.

Finance Ministry Legal Adviser Rafael Silva said only the Supreme Court of Justice can abolish the IVA law, and therefore it cannot be suspended by a judge, because this would be unconstitutional. He added that the legal basis for the writ of amparo is not clear, because it does not specify what right was violated and places the state in a defenseless legal position [indefension judicial]. Furthermore, the writ of amparo demands from the government additional information on the implementation of the IVA—a measure that is not required when a law is implemented. He stressed that this tax cannot be suspended.

[Begin Silva recording] The Finance Ministry has no legal authority and no legal instrument enabling it to suspend the implementation of a law. We cannot do that. In any event, what the Finance Ministry could probably do after being legally notified of the decision is to instruct customs not to charge the IVA, or not collect the IVA, which is the only tributary obligation this would entail for the Finance Ministry. [end recording]

The Finance Ministry has not taken any action against the judge who issued a ruling eliminating the IVA. Nevertheless, Finance Minister Adviser Alcides Villalba has requested his dismissal.

Caldera Expresses Concern Over IVA Implementation

PA0901034194 Caracas EL NACIONAL in Spanish 7 Jan 94 p D-3

[Report by Javier Ignacio Mayorca]

[Text] I am very concerned about the situation created by the implementation of the IVA on the general public. I am especially concerned about the exorbitant speculation that has been unleashed in the country, largely due to a lack of information and control.

President-elect Rafael Caldera thus argued his opposition to the IVA in the light of the court decision forcing the government to suspend its implementation.

Caldera said: "I clearly informed President Velasquez' administration" of the impoverishing effects the IVA would have on the people.

President Velasquez feels committed and forced to maintain the IVA because he views it as a pledge he made at the time of his election. As a concession, he

agreed to an exemption in a number of fundamental areas such as food, medical treatment, medicine, and travel.

According to Caldera, these exemptions were agreed upon with the promise to increase taxes on luxury items. However, he believes it might be better to adopt a position more like that of the MAS [Movement Toward Socialism]. The tax should be imposed more heavily on sectors that are better able to pay, which would at least partially reduce the fiscal deficit.

The president-elect returned to the issue of speculation to point out the current government's "apparent powerlessness" in dealing with it. In view of this situation, he said, the events and reasons that led to the court decision were "obvious. Everyone acknowledges them."

Caldera said: I am not prepared at this moment to issue a legal opinion concerning the origins, background, and consequences of this measure, which is quite new in Venezuela's legal history. I would prefer to express an opinion after gaining a clearer view of this matter.

Caldera announced that following the installation of the legislature he will introduce a "complete and full proposal to reform the tax system." The idea is to put the burden on those who can really pay the tax.

Decision on VAT Antispeculation Measures Postponed

PA0901210194 Caracas Venezolana de Television Network in Spanish 0000 GMT 9 Jan 94

[Report by Cecilia Pachano from "The News" newscast]

[Text] The decision on the measures to be adopted to combat the wave of speculation resulting from value-added tax [VAT] implementation has been postponed until tomorrow. A special Economic Cabinet meeting will be held at 1700 on 9 January.

A special Economic Cabinet session to analyze possible measures to stop the wave of speculation unleashed by VAT implementation ended a few minutes ago. Rosana Ordonez, Central Information Office director, reported the details of the measures being analyzed:

[Begin recording] [Ordonez] There was a meeting of the Economic Cabinet this afternoon, with the participation of Finance Ministry officials. Again, they stated that Venezuelans must accept VAT as a tax in order to cover the fiscal deficit. Unless additional revenues are collected, we will be unable to cover expenses at universities, the government payroll, and other public expenses.

Economic experts were consulted on certain existing doubts regarding VAT implementation due to misinformation. They said that these doubts have existed in all countries where VAT has been implemented but that they gradually disappear through information campaigns through the media.

At the same time, there has been speculation that is unrelated to VAT, because the products on which prices have been increased are precisely those exempted from VAT, such as milk, eggs, beef, and consumer products. Specific measures are being analyzed to control this wave of speculation and punish those who are abusing the people's economic possibilities.

[Unidentified reporter] Will sanctions include closing businesses?

[Ordonez] I cannot tell you what type of sanctions will be adopted, as they are being analyzed and will be announced tomorrow after a Council of Ministers meeting that will take place at 1700. What we want people to know is that the government is concerned about the situation, which is being analyzed. The situation is difficult and complex, and thus we are meeting every day, including Saturday and Sunday. We are studying options and possibilities within existing laws, so that within the state of law citizens can feel that the government is concerned about an unusual situation of speculation. The current government will tend to the problems affecting Venezuelan citizens until the next government assumes power. [end recording]

The aim of the measures being analyzed is to inform the public that the government definitely wants to stop the wave of speculation for the benefit of consumers.

Copei Willing To Reach Agreement To Support Caldera

PA0901223294 Caracas Venezolana de Television Network in Spanish 1550 GMT 5 Jan 94

[Report by Cecilia Pachano from "The News" newscast]

[Text] According to Copei [Social Christian Party] leader Eduardo Fernandez, his party is willing to establish a national agreement to support President-elect Rafael Caldera, thus showing its support for the democratic system.

Fernandez made the statement as he was leaving a breakfast meeting with President Ramon J. Velasquez during which they analyzed the country's current situation and the issues the Caldera administration will face.

Eduardo Fernandez insisted that he will not return to the post of secretary general of his party, indicating that it is a role he has already fulfilled. He said Copei is a party that reaches agreements, and that is why it would endorse Caldera's request for support so he can have the political backing necessary to manage the country over the next five years.

[Begin Fernandez recording] The magnitude of the country's problems demands an effort of national understanding and unity. We must foster a climate to face the country's basic problems. [end recording]

Asked about the initiative to allow National Convergence to lead the Senate, he said it is one possibility that must be analyzed, adding that it is very possible it will become a reality.

Colombian Guerrillas Down National Guard Helicopter

PA0701231194 Paris AFP in Spanish 2235 GMT 7 Jan 94

[Text] Caracas, Jan 7 (AFP)—A Caracas radio station has reported that a helicopter of the militarized Venezuelan National Guard was downed in the Cutufi area near the Arauca River, close to the border with Colombia, after an attack by Colombian guerrillas.

Reports by Radio Caracas indicate that according to police sources in the area, a helicopter that was patrolling the border area was downed by a Colombian rebel commando. The crash had initially been attributed to technical problems. Two military policemen were injured.

Colombian rebels attacks, which have resulted in five deaths and the destruction of several military vehicles, have created friction between Bogota and Caracas over the past few months.

Caracas Reports Helicopter Crash

PA0801015694 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 Jan 94

[From "The News" newscast]

[Text] Two members of the National Guard were injured when a helicopter of the Armed Forces of National Cooperation went down in near Cutufi. The helicopter's tail rotor failed and the pilot had to make an emergency landing near the Colombian-Venezuelan border. High-ranking officers of Regional Command No.1 went to the area to learn the details of the accident.

Bogota TV Reports Downing of Aircraft

PA0801004394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Jan 94

[From the "24 Hours" newscast]

[Text] Another incident has exacerbated the already tense situation on the Colombian-Venezuelan border. The Guerrilla Coordinating Board downed a civilian helicopter from Venezuela that was transporting Venezuelan soldiers. The subversives also dynamited a vehicle transporting children in Aguazul, Casanare.

[Begin reporter Alvaro Ayala recording] The public order situation on the Colombian-Venezuelan border worsened today when ELN [Army of National Liberation] guerrillas opened fire on a civilian helicopter transporting Venezuelan soldiers. The incident occurred near the mouth of the Arauca River near Saravena. The two civilian pilots and four soldiers in the helicopter were seriously injured. They were subsequently rescued by the Venezuelan National Guard.

Meanwhile, the Guerrilla Coordinating Board dynamited a jeep of tourists coming from Boyaca as they were passing through Aguazul Municipality, Casanare. Two adults were killed and eight people, including seven children, were seriously injured. [end recording]

Regarding the case of the helicopter downed on the Colombian- Venezuelan border, we have just received another report from Arauca. According to that report, the Venezuelan helicopter landed in Colombian territory to pick up some peasants, and that is what led to the attack. The authorities are expected to issue a report on the events.

Military Reports Colombian Guerrilla Column Near Border

PA0901014394 Paris AFP in Spanish 0001 GMT 9 Jan 94

[Text] Caracas, 8 Jan (AFP)—Intelligence officers in the Venezuelan Armed Forces have reported a strong presence of Colombian guerrillas at the Venezuelan-Colombian border, according to newspaper reports published in Caracas on Saturday.

According to EL NACIONAL, the Venezuelan Army intelligence section detected a guerrilla column of no fewer than 50 men, allegedly from the Revolutionary Armed Forces of Colombia (FARC), between Junin Municipality in Tachira State, some 600 km southwest of Caracas, and Norte de Santander Department in Colombia. Area residents confirmed the military report.

EL NACIONAL, quoting reliable military sources, added that the presence of Colombian guerrillas was discovered during a joint operation by the Colombian and Venezuelan Armies, which led to the declaration of a state of maximum alert and the reinforcement of border posts.

Likewise, the national press agency VENPRES quoted Venezuelan military sources as saying that some 10,000 Colombian guerrillas are reportedly on the border between the two countries.

According to VENPRES, the rebels are responsible for the intense "theater of war" over the past seven months, which included an increase in kidnappings and cattle rustling incidents.

Late last year five Venezuelan soldiers were killed in two explosive attacks attributed to the National Liberation Army of Colombia, which prompted angry reactions in Caracas.

As for the Venezuelan National Guard helicopter crash yesterday in which two soldiers were injured, military spokesmen described the incident as "a strong reaction

by the Colombian guerrillas to the active Venezuelan air and land patrols over the southwestern border of the country."

Defense Ministry spokesmen, however, have not yet explained the real cause of the helicopter crash. Some police spokesmen say it was caused by a guerrilla attack, while Colombian authorities say excess weight caused the crash and that the shots were fired by the Venezuelan soldiers themselves.

Rivas Takes Office as New Intelligence Director

PA1001005694 Caracas Venezolana de Television Network in Spanish 2350 GMT 5 Jan 94

[Report by Ligia Moreno from "The News" Newscast]

[Text] Retired General Rafael Rivas has taken control of the Disip [Directorate of Intelligence and Prevention Services] at the request of President-elect Rafael Caldera. Rivas said that after having devoted time to private life and performing the duties inherent to his post as chief of the National Guard 5th Regional Command, he is returning to public life to fight crime. The general said he fully agrees with the major changes the country requires to become an exemplary nation and that he has no doubt that difficult work lies ahead. He will even have to improve Disip's public image. He is aware of the difficult times facing Venezuela and says he will make a huge effort to perform the duties he has as a citizen of a nation that needs him.

[Begin Rivas recording] I will try to wage a straightforward struggle against crime, to be loyal to President Rafael Caldera, and to strongly defend democracy and its institutions. I will do my best to reach the primary goals, and above all, I will work hard, especially in creative endeavors. I will work as part of a team. We have good workers. As in every other organization, we will reorganize what must be reorganized and will leave untouched the good things we have. We have a very good technical team. [end recording]

The new Disip director said his goal is not to fire workers indiscriminately but to work hard. He will also respect human rights but will be tough on crime.

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